The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, AUGUST 6, 1932 VOLUME 61, NUMBER 10

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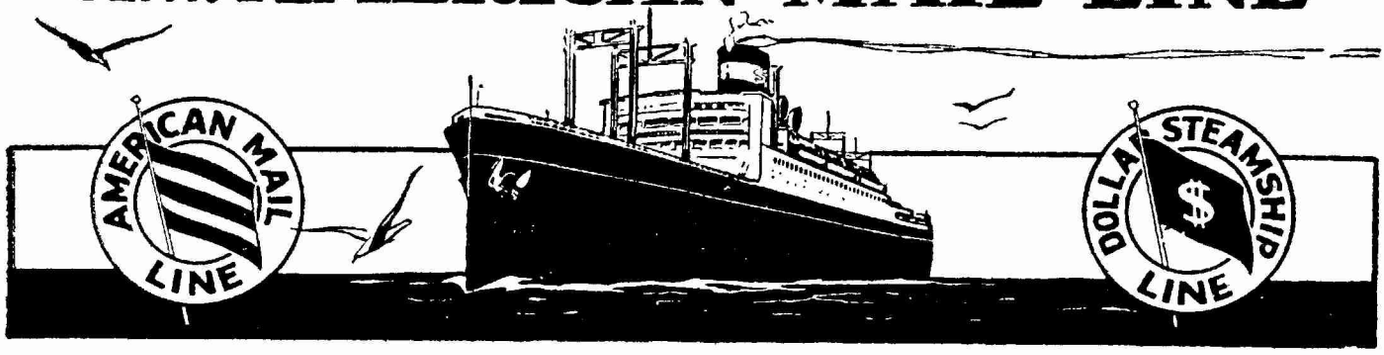

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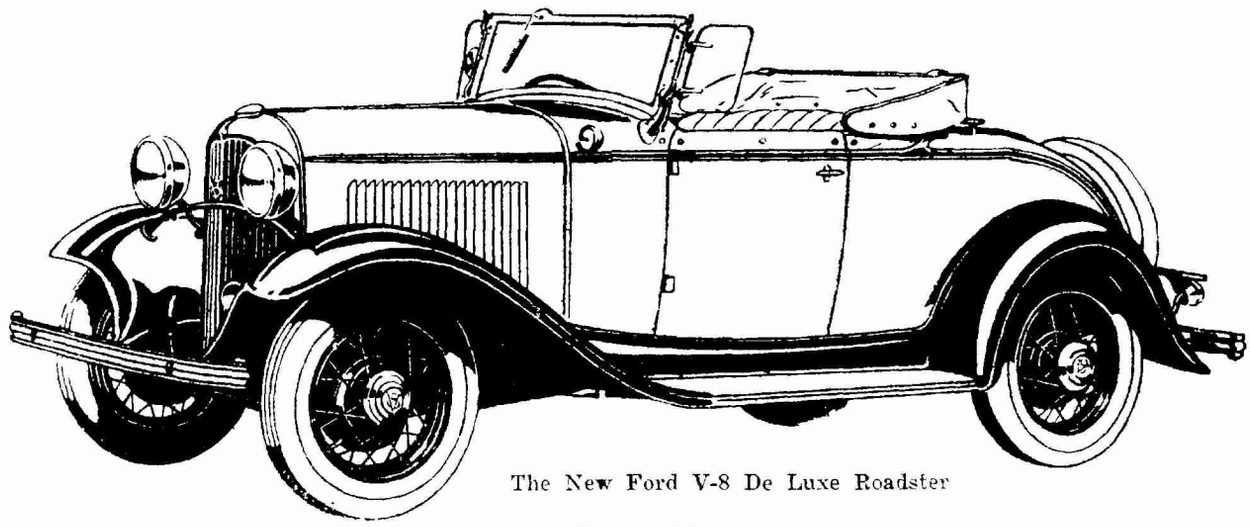

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The China Weekly REVIEW

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中華郵政特准掛號立券之報紙

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Formerly Millard's Review

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CONTRIBUTING EDITORS

C. Y. W. MENG — DANIEL J. LEE
S. C. YANG (Harbin) — CHANG YA-CHUEN
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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

JAPANESE HYPOCRISY ON THE EMIGRATION QUESTION

THE session on July 26 of the conference of Japanese prefectural governors held in Tokyo under the auspices of the Overseas Ministry was devoted to a consideration of Japanese "mass-emigration" to Manchuria. The Overseas Minister, Ryutaro Nagai, explained that while all restrictions had been removed for the wholesale emigration of Japanese peasants to Manchuria, the country was still too unsafe for Japanese farmers to venture into that area. Mr. Nagai's exact words on the subject were as follows, "Since the Mukden incident conditions have been reversed and all impediments placed in the way of Japanese immigration by the old regime have been removed. However, a condition of peace and order has not been attained to such a degree that we may urge our farmers to go to Manchuria to settle. It isn't safe yet."

But the most interesting disclosure illustrating the hypocrisy of Japanese officialdom on this question of Japanese emigration to Manchuria, occurred later on in the meeting when the governor of Hokkaido, most northern and sparsely populated region of Japan proper, complained that nothing was being done to induce Japanese farmers to emigrate to that section from the more densely populated areas to the south. In order that there may be no mistake on the subject, we reproduce the exact text from the account which appeared in the *Japan Advertiser* (Tokyo) on July 26:

> "The governor of Hokkaido complained that the Government already had forgotten about the plan to encourage migration to Hokkaido. At one time the officials were quite enthusiastic about sending 600,000 farmers to settle the island, which has a comparatively small population. He urged the authorities not to forget this plan for caring for surplus population in the excitement of newer schemes. If the real answer to Japan's problem is reducing the crowding in the over-populated areas, the Hokkaido plan might better be pushed through to completion. The island still has room for 600,000."

The account in the American paper in Tokyo also contained further interesting disclosures. For example the governors of Ibaragi and Iwate

Prefectures, two densely populated areas, complained that while the Government supplied them with "plenty of propaganda," it had consistently failed to supply them with correct data or to answer questions regarding specific information on proposed migrations to other less populated districts. In conclusion it was stated that little or nothing was accomplished at the meeting due to the lack of definite plans.

This shows quite conclusively that the talk about Japanese emigration to Manchuria is about ninety-nine percent bunk and is largely designed for propaganda purposes abroad. If the Japanese authorities were sincere in the matter of encouraging emigration from the densely-populated districts of southern Japan, they obviously would send settlers to the Hokkaido, where, according to the governor of that prefecture there is room for 600,000 farmers. But this does not suit the purpose of Tokyo officialdom who prefer to complain about the barring of Japanese from California, Canada and Australia, and demand that Manchuria be turned over to Japan for this purpose. An example of the type of Japanese propaganda on the emigration subject is shown in the following paragraphs from a recent editorial on the subject from *The China Press*,

> "Major Takashi Tanaya, until recently a member of the Japanese General Staff in Manchuria, writing in the Japanese economic journal *The Diamond*, has outlined a scheme for the Japonization of Manchuria which should prove interesting reading for thoughtful Chinese. In the first place Japanese "security" in the Manchukuo puppet government is to be obtained through the construction of a "steel-frame" composed of Japanese officials or advisers appointed to strategic positions in the administration. Japanese members, while monopolizing the responsible posts would not come into direct contact with the Chinese people.
>
> "Following this Major Hanaya outlined an interesting scheme of colonization which begins with the confiscation of all estates of former Manchurian officials and the land turned over to Japanese settlers. All land within 12 miles of any railway is to be turned over to the Japanese and all present Chinese settlers and land-owners evicted. Chinese immigration into Manchuria in future would be strictly limited, but Koreans as subjects of Japan, would be freely admitted.
>
> "An officially subsidized colonization company to be formed in Japan would select communities of prospective immigrants containing from 300 to 500 persons and transport them to Manchuria. First place, apparently, in the Japanese emigration scheme is to be given to the families of Japanese soldiers who have fought the Manchurian "bandits." "We must not forget," he says, "that the Japanese soldiers who shed their blood in Manchuria were the sons of poor families. Manchuria must be developed in such a manner that they will benefit from it." Major Hanaya also declared that "capitalists and politicians must not be permitted to seize rights in Manchuria which belong to the Japanese people.
>
> "Finally, Major Hanaya declared that if his scheme failed there is no other way out except for Japan to go ahead and annex Manchuria outright."

Chinese Woman Short Story Writer in Shanghai

There arrived in Shanghai this week as a member of the Upton Close touring party, a Chinese young woman who has made a name for herself in the United States as a writer of fiction stories. Her writing name is Flora Belle Jan and one of her recent stories appears in *Real Detective Stories*, popular magazine published in Chicago. Miss Jan, whose real name is Mrs. Charles K. A. Wang, has been employed on various papers in the United States. She was born in Fresno, California and her husband is a recent graduate of Chicago University.

DEMOCRATIC PLATFORM URGES SANCTITY OF TREATIES

THE 1932 campaign platform adopted by the Democratic Party at the recent convention held in Chicago contained the following paragraph pertaining to America's foreign relations which have an indirect bearing on the present situation in the Far East:

> A firm foreign policy, including: Peace with all the world and the settlement of international disputes by arbitration; no interference in the international affairs of other nations; the sanctity of treaties, and the maintenance of good faith and of good will in financial obligations; adherence to the world court with the pending reservations; the pact of Paris abolishing war as an instrument of national policy, to be made effective by provisions for consultation and conference in case of threatened violation of treaties; international agreement for reduction of armaments, and co-operation with nations of the Western Hemisphere to maintain the spirit of the Monroe Doctrine.

In addition to the foregoing there was a clause opposing the cancellation of debts owing the United States by foreign nations; a demand for independence of the Philippines and ultimate statehood for Porto Rico. Also there was a clause recommending the employment of American citizens in the operation of the Panama Canal. Finally there was a declaration opposing the practice of the State Department in "assuming to pass on foreign securities offered by international bankers," this paragraph being as follows: "We condemn the usurpation of power by the State Department in assuming to pass upon foreign securities offered by international bankers, as a result of which billions of dollars in questionable bonds have been sold to the public on the implied approval of the federal government."

The platform of the Republican Party deals somewhat more specifically with the Far Eastern situation, the following paragraphs being reproduced from a summary telegraphed to the *Japan Advertiser*.

> "Events in the Far East, involving the large scale use of arms in the Sino-Japanese conflict, caused world-wide concern and sorely tried the bulwarks erected to insure peace and the settlement of international disputes by pacific means.
>
> "The Far Eastern situation developed a controversy which threatened the security of nations bordering on the Pacific Ocean and challenged the maintenance of the American-enunciated policy of Equal Opportunity and the Open Door in China, and 'the administrative and political integrity of the Chinese people.'
>
> "The president of the United States and the secretary of state maintained a just balance between China and Japan, taking always a firm position to avoid entanglement of this country but consistently upholding treaty rights and never condoning developments that endangered the obligation of the treaties of peace of the world."
>
> "The item calls attention to the fact that the Republican Administration of the United States acted in harmony with the Governments represented in the League of Nations (with regard to the Far Eastern controversy) and adopted a policy not to recognize any situation, treaty, or agreement between Japan and China brought about by force in defiance of the Kellogg Pact. It asserts that this policy remains a material barrier preventing any nation from reaping fruits from aggressive warfare, and thus opens a new path for the maintenance of peace.
>
> "The plank favored the enactment of legislation empowering the Government of the United

States to call and to participate in an international conference on the situation in case there is any threat of non-fulfillment of Article 2 of the Kellogg Pact."

JAPAN'S HUGE ADVERSE TRADE BALANCE

STATISTICS recently published by the Japanese Department of Commerce show that Japan's foreign trade, including Korea, Formosa and the South Seas, for the first half of the present year, amounted to Yen 1,445,999,000, of which Yen 572,583,000 were exports and Yen 873,416,000 were imports, the unfavorable balance being Yen 300,833,000. Compared with the corresponding period of last year, exports showed a decrease of Yen 20,432,000 while imports indicated an increase of Yen 134,626,000, with an increase of Yen 155,058,000 in the import excess.

During the first half of the present year Japan exported gold and silver to an amount of Yen 79,102,000, an increase of Yen 63,921,000 over a year ago, while imports were only Yen 810,000—or Yen 21,891,000 less than a year ago.

With these figures before it, it is no wonder that one of Japan's leading daily newspapers, the *Tokyo Asahi*, is pessimistic of the future of the country's trade and advises those who are still hoping that the reimposition of the gold embargo at the end of last year may yet bring trade improvement, to be disillusioned quickly. At the time the gold embargo was reimposed, the Tokyo journal says, advocates of that course were loud in their prophecies that trade for the first half of this year would considerably improve. Their prognostications have been rudely falsified by events; instead there has been a decided deterioration. The excess of imports over exports, which was Yen 150,000,000 for the first half of last year, was doubled for the corresponding period of this year. The extent of this adverse balance of trade is enough to astonish even those who did not expect an improvement to follow the reimposition of the gold embargo. The *Asahi* explains that the increase of imports despite the lower exchange was due to speculative imports in anticipation of a further fall in the exchange, but a very important factor was the deterioration of the Japanese trade in China.

The *Asahi*, discussing the prospects for the second half year, says it is very doubtful whether there will be any marked improvement. The exchange rate has fallen so that now the Yen will buy only 27 American cents, whereas, in normal times it was worth 49½ cents. Although this at first sight might seem favorable to the export trade, the Tokyo journal doubts whether it will work out that way. During the first half of the year when the yen declined in value the drop in the yen did nothing to improve the Japanese export trade and there was nothing to warrant any hopes that now that the yen had dropped still further in value there was likely to be any marked improvement in exports. As regards the import trade, the *Asahi* said it may fairly be assumed that speculative imports in anticipation of a further fall in exchange had practically ended, but the fluctuations in exchange remained and were bound to remain so long as Japan remained off the gold standard. The *Asahi* gave cold comfort to those who hoped that the reimposition of the gold embargo would make itself manifest in the latter half of this year, but predicted that although the huge adverse balance of the first half of the year of three hundred million yen would be offset somewhat by the excess of exports in the latter half, yet at the end of the year there would be a much larger unfavorable balance than last year.

Coincident with the bad business conditions in Japan, and partly as a result of same the revenues of the Japanese government are dropping very considerably. The Japanese Department of Finance recently made public the details of the settlement of state accounts for the year ending May 31, 1932, which showed that the tax revenue had dropped by about a hundred million yen, the exact figures being: Revenue, Yen 735,349,000; drop Yen 99,499,000. The way the accounts are made up, a balance is shown of about Yen 20,000,000 in favor of revenue, but it is pointed out that this excess is nominal as the result has only been made possible by drawing Yen 44,000,000 from the sinking fund and the issue of national bonds totalling about Yen 43,000,000, issued in connection with earthquake relief and under other headings.

In the meantime the peasantry and the laboring classes in Japan are becoming increasingly restless, and the drift towards radicalism is well illustrated by the formation of a new political party known as Shakai Tashuto, which has adopted as some of its tenets the overthrow of capitalism and the establishment of socialism, the enforcement of a moratorium for the farmers, the donation of food and work to the unemployed, immediate distribution gratis of the rice stocks held by the government, absolute opposition to imperialistic and capitalistic war, opposition to the Fascist reaction, the overthrow of the Saito cabinet and the establishing of a unified Labor party. The police made an order for the deletion of some of the stronger planks in the new party's platform, whereupon a delegation visited Baron Yamamoto, the Home Minister, to enter a formal protest against police interference.

That the demand for rice by the populace is meant to be taken seriously is shown by an incident which occurred at the offices of the Department of Agriculture and Forestry, in Tokyo August 1, when 400 representatives of farmers and smaller merchants of the Kwanto District clashed with police, when their demand for distribution of rice owned by the Government was refused. About a dozen persons were arrested by the police before the rioters were dispersed.

The Japanese War Department has its own ideas of how to allay the rising tide of unrest and to provide a palliative. It has made an appropriation of Yen 43,000,000 in the supplementary budget, subject to approval at the forthcoming extraordinary session of the Diet, for the extension of military airdromes and parade grounds and to place orders with small industrialists for the manufacture of war materials. The War Department in this way hopes to provide relief to the smaller merchants and industrialists.

MANCHURIA, THE PARADISE OF POPPIES AND LOTTERIES

IT will be remembered that the Japanese at various times have been promising that Manchuria under their guidance is to be made a "Paradise." It was not stated at the time what kind of a paradise, but so far it seems to be a paradise mostly for poppy cultivation and the establishing of lotteries. Recent telegrams give the information that along the western branch of the Chinese Eastern railway in the Hailar region a stretch of more than 150 miles of land has been turned over to the cultivation of the poppy plant and that as a result there has been such a dearth of vegetables that they have to be "imported" from other parts of the province. On top of this information comes the news that the new regime is going to debauch the people of Manchuria by means of lotteries. The details of the new scheme are given by no less an authority than the *Manchuria Daily News*, the official organ of the Japanese-owned South Manchuria Railway. The lottery system will be opened, it is stated, about September 1, by the Finance Ministry of Manchukuo. By the proposed plan a lottery office is to be opened at Changchun with ticket sales agencies at different centres in the country to sell lottery tickets for monthly drawing. A ticket will cost one dollar. Fifty percent of the total proceeds from the sale of tickets is to be distributed as prizes of varying amounts to the lucky drawers. Of the remainder, 15% is to go to the government treasury, part thereof being employed for the upkeep of the lottery system. The other 35% is to be spent in relief of the rural people, in order to give a concrete shape to the much advertised "orthodox administration."

Jehol Situation Unchanged---Japanese Marking Time

THE Japanese reports last week that the incident in which the liaison officer Ishimoto was concerned had been "settled" proved to be a little premature. It has been established, however, that this Japanese officer has not been murdered, as the first Japanese reports had it, but that he is merely one of the long list of people not only of Chinese nationality but of other nationalities, Japanese included, who have been kidnapped. This particular kidnapping has, however, a kind of sting to it, Ishimoto having been on his return trip after having been in negotiation with Governor Tang Yu-lin, when he was captured by "irregulars" who seized the opportunity to try to collect some ransom money. It appears that an agreement had in the meantime been reached between the Japanese authorities and General Tang Yu-lin to have Ishimoto, who was held by "irregulars" released, but when the "irregulars" refused to give Ishimoto up, the Japanese bombed two villages on the Jehol-Fengtien border with airplanes to show their resentment. In any event the Japanese say they do not blame General Tang's regular troops for the capture of Ishimoto.

There was an interesting reaction in Mukden in connection with the Chinese capture of the liason officer, Ishimoto. Major Ishimoto was captured on July 17 but Major Watari, official spokesman of Gen. Honjo's headquarters in Mukden made no mention of the incident in his regular conference with the foreign newspaper correspondents and for two days afterward on the pretence of illness did not show up at the Yamato Hotel for the regular conferences with the newspapermen. In the meantime a so-called "official" report of the kidnapping of Ishimoto was supplied to the official Japanese news agencies, *Rengo* and *Nippon Dempo*, and by them was supplied in turn to the correspondents of the *Associated Press* and *United Press* stationed in Tokyo. In this way the Japanese military headquarters in Mukden succeeded in getting its official report distributed over the world by the large American press services and at the same time prevented correspondents stationed in Manchuria from sending out independent reports which might have differed from the official report issued from warlord Honjo's office.

In the meantime the Japanese have made no serious move to invade Jehol territory, and on July 31 Chang Hsueh-liang telegraphed to the National Government at Nanking that the Jehol situation was being restored to normality with the withdrawal of the Japanese Army. Chinese troops were stated to be at their posts ready to resist any future invasion.

Previous reports were to the effect that the Japanese were planning to occupy the Chinchow-Chaoyang branch Railway and the city of Peipiao. At the Chinchow railway station, more than 50 motor trucks had arrived from Shenyang (Mukden) in readiness to transport troops. Japanese soldiers were stationed at Ihsien, on the Chinchow-Chaoyang branch railway. It was also reported that the Japanese Ministry of War had ordered two Japanese divisions and one mixed brigade, hitherto stationed at Korea, to proceed to Manchuria.

The Nanking Government on July 29 received a telegram from General Chang Hsueh-liang transmitting a report from General Tang Yu-lin on developments in Jehol. The report stated inter alia as follows:—

> "1.—Following the Japanese attack upon Chaoyang under the pretext of the so-called Ishimoto Incident, I despatched Counsellor Shao Tse-feng to make strong representations to the Japanese authorities. In a telegraphic report dated the 20th, Counsellor Shao informed me that he proceeded to the Chaoyang Temple on the 19th and there met Major Yoshioka, who was the commanding officer of the armored trains (which made the attack).
>
> In the course of the interview, Councellor Shao stated that the Chinese authorities were making every effort to investigate into the case of the alleged kidnapping of Ishimoto and that should the latter be found to have been actually kidnapped, the Chinese authorities would do their best to effect his release. On the other hand, Counsellor Shao deeply deplored that the Japanese military should have suddenly forced their entry across the Jehol boundary, opened artillery fire upon Chinese forces and subsequently staged an aerial bombardment of the Chaoyang Temple on the following day.
>
> Replying, Major Yoshioka asked as to when the Chinese authorities would be able to effect the release

of Ishimoto. He went so far as to set seven days as the time-limit within which to effect the release. To this Councellor Shao pointed out that the Chinese authorities, while willing to do anything in their power, could not however undertake to comply with the time-limit.

In this connection, Major Yoshioka demanded that Brigadier-Commander Tung must proceed to Chinchow to tender former apologies to the Japanese authorities and that unless and until such apologies are tendered, the Japanese would not only refuse to withdraw their forces but would also resort to further military actions.

A *Reuter* telegram from Peiping August 1 stated that the populace in the northern capital was unperturbed and did not appear to think that an invasion either of Jehol province or of north China by the Japanese would be attempted in the immediate future. It was felt in Peiping that the policy of the Japanese would be to intimidate General Tang Yu-lin, the governor of Jehol, and keep Marshal Chang Hsueh-liang guessing with threats of possible action in Jehol and the invasion of the Peiping and Tientsin area. However some of the foreign observers in Peiping have expressed the opinion that the Japanese would probably confine their operations in Jehol province to occasional bombings and that if operations on land are decided upon they will more likely be made first against Peiping or Tientsin than into Jehol province.

In the meantime various meetings of the Northern Political Affairs Committee have been held in Peiping and various concrete measures have been decided upon for coping with the situation in Jehol arising out of the threatened Japanese invasion. A Standing Committee has been appointed to devise and draw up detailed measures for the implementing of the two fundamental policies contained in a recently issued Manifesto in which the Committee enunciated their bounden duty to obey the orders of the Central Government in making concerted efforts for the defence of the nation and laid stress upon the imperative need for reforms in local government, adding that the establishment of an efficient internal administration was an essential condition for prolonged resistance against foreign aggressions. It was also resolved that in order to maintain close contact between the various Northern authorities, members of the Standing Committes who hold responsible local military or civil posts shall each appoint a resident representative at Peiping. A deputation of representatives of over forty civic and commercial organizations in Peiping called upon General Chang Hsueh-liang July 31 and presented various demands in connection with the Sino-Japanese situation. These include (1) recovery of lost territories; (2) establishment of a joint organization by the Northern military authorities in order to facilitate joint resistance against foreign aggressions; (3) organization of volunteer corps; and (4) appointment of officers of the 19th Route Army as training officers of the Northern forces.

Receiving the deputation in person, General Chang declared that as a result of the recent conference of Northern military leaders, definite plans have been decided upon for resisting the Japanese aggressors. He hoped that the people would give every assistance towards the realization of these plans.

The Case of Harold R. Isaacs and George Bronson Rea

THE FIGURES INVOLVED

Harold R. Isaacs, American citizen, native of New York and graduate of Columbia University, who came to China about a year ago and following employment as a reporter on various foreign newspapers, established a weekly known as the *China Forum.* It is alleged that the *Forum* is a "red" organ and that Mr. Isaacs, the editor, is communistically inclined. These charges Mr. Isaacs denies. Mr. Isaacs is about twenty-six years old.

George Bronson Rea, American citizen, native of Brooklyn who came to the Far East via the Philippine route where he served as war correspondent during the Spanish-American war and following which he established in Manila an engineering magazine which is largely devoted to Far Eastern international politics. Later Mr. Rea transferred his activities to China along with his magazine which for several years was violently "pro-Chinese," Mr. Rea serving for a time as adviser to the late Dr. Sun Yat-sen. However, Mr. Rea had a row with the Chinese delegates at the Paris Peace Conference and suddenly switched the policy of his magazine to the Japanese side and since that time has been an equally violent protagonist of Japanese policy. Recently, Mr. Rea published articles attacking the Stimson-Hoover policy on the Open Door and according to reports from Tokyo has been appointed an adviser to the Japanese puppet Manchukuo regime in Manchuria. Mr. Rea is sixty-two years old.

Edwin S. Cunningham, American Consul-General, stationed at Shanghai.

THE American authorities, diplomatic and consular, have had considerable trouble in recent years with some of their citizens in China who are engaged in the journalistic profession. During the early stages of America's participation in the World War considerable trouble was stirred up in Peking by Dr. Gilbert Reid, a Scotch-American missionary who opposed China's being dragged into the European struggle. Dr. Reid argued and printed in his newspaper in Peking that the policy of the Allies and America in pushing China into the war would result in civil strife in China and the ultimate political disruption of the country. The British and French ministers in Peking, however, wanted Dr. Reid deported, so the American Minister, Dr. Paul S. Reinsch asked Judge Charles S. Lobingier, then head of the U. S. Court for a legal opinion

on the matter of Dr. Reid's deportation. Judge Lobingier ruled that the American Government under its exterritorial jurisdiction over its citizens in China did not possess legal machinery for deportation unless they had been convicted of crimes. What happened after that is still shrouded in mystery, but the Chinese Government under pressure of the British and French ministers finally requested Dr. Reinsch to deport Dr. Reid. Two U. S. marines assigned for the purpose from the Peking legation guard escorted Dr. Reid to an American army transport at Chinwantao from which point he was taken to Manila. In Manila Dr. Reid was the guest of the Chinese consul-general, a Cantonese, and remained there during the course of the war as the tutor to the consul-general's children. After the war Dr. Reid went to America where he got even with his enemies by writing a book.

Then there were the cases of Hallett Abend, correspondent for the *New York Times,* and George E. Sokolsky, local Shanghai journalist who was assistant editor of Mr. Rea's *Far Eastern Review* and political writer on the staff of the British *North-China Daily News.* Mr. Abend was stationed in Peiping at the time of the Nationalist advance from Canton and apparently did not think much of Gen. Chiang Kai-shek and his associates. And since his writings allegedly reflected this dislike, the National Government requested John Van Antwerp MacMurray, American Minister, to deport Mr. Abend. Mr. Sokolsky's complications with the Nationalists and the Kuomintang are still somewhat shrouded in mystery, but one day a meeting of the Central Executive Committee in Nanking which was presided over by Sun Fo, adopted a resolution demanding the deportation of Mr. Sokolsky. Mr. MacMurray, the then American minister, upon the advice of the State Department, refused to deport either Abend or Sokolsky.

This brings us to the cases of Harold R. Isaacs and George Bronson Rea, or strictly speaking to the case of Mr. Isaacs and his allegedly communistic *China Forum.* So far as we know neither Mr. Rea nor his *Far Eastern Review* have received the official attention of the American authorities despite the fact that Rea has for the past year been lambasting American policy in the Far East and supporting the Japanese warlord-dominated government in its military activities and aggression in China. As a matter of fact Mr. Rea, despite his attacks on American policy and open support of Japanese treaty violation, has remained on intimate terms with the American Consul-General and is frequently a guest at dinner-parties given by Mr. Cunningham.

Mr. Isaacs started his *China Forum* about six months ago following a trip to Hankow upon which occasion he allegedly wrote a friend in Shanghai that he had "seen the light," meaning doubtlessly that he thought China would be better off if controlled by the so-called "Soviet" regime in Kiangsi province rather than by the present Kuomintang-controlled Nationalist Government which is functioning in Nanking. The *China Forum* under Mr. Isaacs' editorship espouses this point of view in each and every issue, usually in 10-point bold-faced type. In May, Mr. Isaacs issued a special edition of his paper which was entitled, "Five Years of Kuomintang Reaction," said edition later being issued in the form of a booklet of 136-pages which was widely circulated in China and abroad. This booklet had much to say about the alleged cooperation between the Kuomintang Party and the foreign "imperialists," and alleged that the Kuomintang had been converted into a party of reaction which was oppressing the Chinese masses. It also had a great deal to say about the alleged ruthlessness of the Kuomintang in suppressing communism and contained numerous pictures of the dead and wounded that resulted from the suppression of red uprisings in Canton and Hankow. Recently, Mr. Isaacs printed in his paper a snapshot of Mayor Wu Teh-chen of the Chinese Municipality of Greater Shanghai and Mr. Murai, local Japanese Consul-General wherein the two officials were shown drinking each other's health. Under the picture appeared a caption that they were "drinking the blood of the Chinese masses," or something to this effect. As a direct result of this and other things, the Chinese authorities have asked the American Consul-General to suppress both Mr. Isaacs and his paper. A further matter causing Chinese disfavor was Mr. Isaacs' recent action in forming a so-called "Reugg Defence Committee," at Shanghai, the object being to obtain the release of the foreign communists Noulens (or Reuggs) who are being tried on a sedition charge before the provincial high court at Nanking.

Upon receipt of the Chinese demand for the suppression of Mr. Isaacs and his paper, Mr. Cunningham, Consul-General, referred the matter to Washington and apparently received instructions to warn Mr. Isaacs that he must either change his policy or lose his exterritorial protection. This was done, the warning being given by Mr. Cunningham personally and also through Dr. George Sellett, U. S. District Attorney.

The official angle of the incident rests at this point, but much has appeared in the local foreign and Chinese newspapers on the subject. H. G. W. Woodhead, die-hard British columnist on the staff of the local American-owned *Evening Post,* has been demanding Mr. Isaac's deportation, but others have pointed out that Mr. Isaacs' "crimes" are infinitesimal when compared with the journalistic activities of George Bronson Rea who for many years has supported Japanese strong-arm methods and since last September has violently opposed the Stimson-Hoover policy on the Open Door and sanctity of treaties. In a recent reply to Woodhead's demands for his deportation, Mr. Isaacs pointed out that the British journalist when editor of the *Peking and Tientsin Timse* had frequently attacked the Chinese authorities, hence if Isaacs was to be deported, that Woodhead should have a reservation on the same outward-bound ship.

The whole question seems to narrow down to the matter of a foreign journalist using his exterritorial "rights" as protection against Chinese arrest and imprisonment, while attacking the Chinese Government and its officials. In a reply to the American Consul-General's threat to withdraw exterritorial protection from Mr. Isaacs, the *Shanghai Evening Post* on August 1 pointed out Antwerp MacMurray had ruled that it was not possible for an American citizen to voluntarily or that the previous American Minister, John Van

involuntarily relinquish his extrality protection so long as the American treaty is in effect. Mr. MacMurray's ruling was made several years ago when a group of American missionaries as a friendly gesture to China, offered to voluntarily relinquish their "rights" and accept Chinese legal jurisdiction. In regard to this, the editor of the *Evening Post* said,

> "Fortunately, or unfortunately, the fact is clear that unless Mr. Isaacs wishes to renounce his privileges as a citizen of the United States, no arm of the government acting independently of legal procedure, has the right to withdraw the safeguards of citizenship from him. The argument that exterritoriality exists solely as a privilege extended voluntarily by the National Government of China, and that it therefore should be relaxed or renounced if used by an individual considered unfriendly to that government is so specious as to scarcely need dealing with."

While Mr. Isaacs may be correct in his assertion that he is not a communist and that his journal is not a communist organ, there seems to be little question that his activities constitute a moral, if not legal, violation of the American exterritorial treaty. Communism is legally banned in China and if Mr. Isaacs did not possess exterritorial protection under the American treaty, he either would have to discontinue his activities or subject himself to arrest and imprisonment by the Chinese authorities similar to the present status of the Noulens (or Reuggs) who are now in jail at Nanking. His case has therefore brought up a complicated question which has served chiefly to discredit the exterritorial system—which may have been Mr. Isaacs' motive since in addition to attacking the National Government which is recognized by the United States, he has advocated the abolition of exterritoriality. Isaacs' opponents have argued that since he is opposed to the exterritorial system, he should voluntarily relinquish his "rights" under the American treaty, but he apparently cannot do this without surrendering his American citizenship which he declines to do. He is therefore in the unenviable position of utilizing the protection afforded by the exterritorial system which he allegedly abhors, while launching attacks on the Chinese Government which enjoys friendly relations with the United States.

In a technical sense Mr. Isaacs' activities as well as those of George Bronson Rea, resemble somewhat the case of Putnam Weale, British journalist at Peiping, who wrote violent articles attacking the National Government while enjoying British exterritorial protection at Peiping. Finally and largely as a result of Weale's propaganda, a number of northern Chinese generals were encouraged to rebel against Nanking, following which Weale was appointed customs commissioner at Tientsin by the said northern rebel generals. The National Government demanded that the British authorities arrest and deport Weale but this the British refused to do. Shortly afterward two Chinese assassins entered Weale's house in Tientsin and killed him, thus putting an effective though tragic conclusion to that case. The Chinese assassins never were apprehended.

Will Chang Hsueh-liang Fight the Japanese?

EXTRACT FROM RECENT ADDRESS OF GENERAL ARAKI, IMPERIAL JAPANESE WAR MINISTER:

"The Manchurian affair has aroused the long dormant racial spirit of the Japanese people. Manchukuo being yet in its initial stages, time must be given the new nation to attain the status of a perfect independent state. The necessity of national unity for the settlement of the Manchurian problem, will be even greater in future. The only way to save the national situation lies along the settlement of the Manchuria problem. By solving it satisfactorily, Japan can firmly establish her position among the nations of the world, and then proceed to realize her ideals in the world. It is highly necessary for the leaders of Japan to inspire a high regard for military service among the people. We must see that there is no evasion of the conscription law. I observe with regret that the spirit of the law for the guarantee of employment for conscripts is not always faithfully observed by factories and shops.... The military training of students and youths is very important for bringing up a healthy rising generation. Particularly at this time it is highly necessary that the present opportunity should be utilized to bring home to the public mind the mission of the Japanese Empire and the true objects of the Imperial Army."

AFTER reading the foregoing inspirational message of the Imperial Japanese War Minister delivered before a conference of prefectuaral governors held in Tokyo recently, one's attention naturally shifts across the Yellow Sea to the former Chinese capital where the "Young Marshal" Chang Hsueh-liang commands 100,000 well-equipped troops. Involuntarily one wonders what kind of a story future historians will write about the Young Marshal and his activities in the next few crucial weeks. In other words, is the Young Marshal going to fight and make a name for himself or is he going to sit back and permit the Japanese war-lords to add another important Chinese province to their Manchurian domain?

The question is quite logical because it is no exaggeration to say that the eyes of the entire nation are on Chang Hsueh-liang and there is much speculation as to what he intends to do. Also, it is no secret that much of this speculation about the activities of the Young Marshal is not favorable. The *China Critic* last week printed a sarcastic letter addressed to Marshal Chang wherein he was proposed as a candidate for the Nobel Peace Prize on the ground that he is the greatest pacifist and follower of Christ in this modern world. "Even Jesus himself once flew into a rage because they did not sweep the floors of the temple properly, but what is that compared with the insults the Japs have heaped upon you....Yet Jesus flew into a rage and you didn't." Continuing, the writer of the letter, Lin Yu-tang, told how Gen. Tsai Ting-kai on the fateful night of January 28, "swore an obscene Cantonese oath and hung up the phone," when he was advised not to resist the invasion of Chinese territory by the Japs, "but you, Chang Hsueh-liang, did not fail....at the crucial moment you obeyed instructions....and while you have lost a national territory for us, you have preserved for us our national treasures," this reference being to the

Young Marshal's weakness for collecting antique porcelains. Finally there was a reference to Marshal Chang's father's coffin which still stands unburied in the former Manchurian capital and more sarcasm regarding the Young Marshal's recent action in arresting a number of Chinese student actors who produced a burlesque play in Peiping entitled, "The General Who Loved Beautiful Girls More than His Own Country."

Very Polite, But Sticks to His Gains!
—"The Bulletin (Glasgow)

However, this criticism of the youthful son of the late Manchurian warlord Chang Tso-ling, seems not to have been entirely warranted for even the Japanese reports admit that he already is beginning to fight. A *Rengo* report from Mukden on August 2 said that the Marshal's "well-laid-out-plan for giving confusion to the peace of South Manchuria and the overturning of the Manchukuo government was gradually making itself felt." It stated that bandit attacks on Haicheng, Yingkow, Newchwang, Changchun, Liaoyang and other places along the S.M.R. "were being carried out in accordance with the plans of Marshal Chang Hsueh-liang."

The correspondent of the *North-China Daily News* in Nanking also reported (July 25) that Marshal Chang "actually is preparing for the worst," the report stating that "Only ten days ago General Chang Hsueh-liang's crack troops were being concentrated on the Shantung-Chihli and Chihei-Honan borders to strengthen the defence of Chihli. Some troops stationed around Peking and Tientsin had also received orders to proceed southward to reinforce the Chihli garrison troops at Tehchow and Tungkuang. Undoubtedly General Chang's attention was then directed to guard himself against Shantung and Honan. But the news of the Japanese invasion of Jehol instantly changed the young marshal's mind. Instead of reinforcing his garrisons on the Shantung and Honan borders he instructed his troops to withdraw and concentrate at Tungchow in three days and then march into Jehol for the protection of that land which is regarded by General Chang Hsueh-liang as the gate to Tientsin and Peking. Evidently the former Mukden leader thinks that after all external aggression must be resisted. The soldiers, who had not been paid for two or more months, have all received their June pay to their great delight. The Peking-Mukden Railway Administration has received instructions to hold 41 troop trains in readiness for transportation of General Chang's troops to Jehol."

Marshal Chang's anxiety about his rear apparently was relieved as a result of the recent military conference in Peking wherein the various commanders apparently decided that the menace of Japanese aggression was more serious than personal rivalries and animosities, hence the time had arrived for united resistance against the foreign invader. As a result there has been a re-distribution of troops in the North in such manner that Marshal Chang will have complete freedom of action in opposing the Japanese when the Islanders begin in earnest their invasion of Jehol province and possibly also the Tientsin-Peiping district. While opinion in Nanking appears to be divided as to whether the Japanese really intend to invade Jehol, some believing they are only trying to intimidate Gen. Tang Yu-ling, ruler of that province, the reports in the Japanese newspapers do not leave much doubt as to the real intentions of the Tokyo General Staff.

The *Osaka Mainichi* on July 28 stated that the Japanese War Office was determined to eliminate Marshal Chang Hsueh-liang from the Chinese political stage, but prior to the opening of actual hostilities, Count Uchida, Foreign Minister was going to try to force Marshal Chang out of Peiping by diplomatic means. It was claimed this was the underlying reason for Uchida's decision to send a new Japanese Minister to China; that a serious attempt would be made to induce the Nanking Government to get rid of Marshal Chang Hsueh-liang as a means of paving the way for private direct negotiations between China and Japan on the Manchurian issue. It was alleged that much of Japan's trouble in pacifying Manchuria had been due to the "arrogance" of Marshal Chang. Another leading Japanese paper, *The Chugai Shogyo* declared that Gen. Chang Hsueh-liang "is obviously at the bottom of the subversive activities in Manchuria, hence the maintenance of peace and order in that territory resolves itself into the question how to deal with the ex-warlord of Manchuria whose stubborn adherence to his ambition to recover Manchuria is largely due to the support and encouragement which he receives from the Nanking Government." Continuing it was declared that there will be trouble in Jehol and Manchuria generally "so long as Gen. Chang retains a remnant of his power in Peiping." Another paper, *The Miyako* declared "if China continues to insult Japan and provoke her to fighting, the invasion of Japanese troops into Jehol will become inevitable....if the Japanese troops come into armed conflict with Gen. Chang's forces, the disturbances may spread to Peiping and Tientsin....it is disquieting news that Gen.

Chang is mobilizing troops with the intention of fighting the Japanese. If he translates his present threat into deed, the Japanese troops will be forced by the necessity of tactics to attack Gen. Chang's base....Gen. Chang ought to consider deeply before embarking on a reckless adventure." Finally, another Japanese paper, *The Asahi* declared, "unless the ex-warlord of Manchuria is forced into retirement, there can be no end to political unrest in Manchuria and Mongolia." Also it was alleged that both Gen. Araki, Minister of War and Count Uchida, Foreign Minister, had impressed on the Lytton Commission the necessity of ousting Marshal Chang Hsueh-liang from his present position in Peiping "in order to restore the peace in the Far East."

The situation therefore seems to be more or less clear that the war-lords of the Tokyo government as well as their associates in Manchuria are determined to oust Marshal Chang Hsueh-liang in one way or another. First, they apparently will attempt diplomatic pressure at Nanking and in the event of failure then they will try other and more direct means through armed invasion of Jehol and the Peiping-Tientsin district. A correspondent in Peiping on July 29 stated that the recent military conference in that city had one single objective—"resistance to any Japanese move....there seemed to be a consensus of opinion that China can only win out by reviving and strengthening the boycott and intensifying guerilla warfare in Manchuria....in other words to make Japan feel the cost of her adventure to the uttermost."

The Inside Story of China's Radio Controversy

QUITE a furore has developed among the high officials of the Ministry of Communications over the conclusion of a series of contracts with foreign telegraph companies. The controversy has centered principally around three important officials: Chen Fu-mo, vice-Minister of Communications; Li Fan-yi, director of the Telegraph Administration Department of the Ministry and Wang Chung-chih, chairman of the International Communications Commission. Vice-Minister Chen and the retiring Minister Gen. Chen Ming-shu stand on one side, while Messrs. Li and Wang form the other party to the dispute. There have been charges and countercharges hurled at each by the two groups of officials and the controversy has assumed such proportions as to cause all three officials to hand in their resignations though the resignation of Vice-Minister Chen has not been accepted.

According to an official statement made by Chen Fu-mo to the Chinese press on July 17, the Communications Ministry has recently concluded four contracts with foreign telegraph companies as follows.

1. Contract with the British Marconi interests providing direct telegraphic communication with England.

2. Contract with the Marconi Company providing for purchase of equipment for radio station.

3. Contract with the American Mackay Radio Company providing for radio communication with stations of the Company in California and Manila.

4. Contract with the China Electric Company (subsidiary of the Mackay Company, capitalized and operated jointly by the Company and the Chinese Ministry of Communications) providing for purchase of wireless telephone equipment for installation and use both in China and abroad.

Mr. Chen stated that he had favored the conclusion of the two traffic contracts with England and the Mackay Radio Company of America (Nos. 1 and 3) but his attitude towards the other two contracts providing for the purchase of the radio equipment and the wireless long distance telephone equipment (Nos. 2 and 4) had merely been one of careful consideration. Then, he pointed out the advantages of the contract with the Mackay Radio Company of America and said that since the present radio-communication with America solely depends upon the Radio Corporation of America, it is to the interest of communication between the two countries to enter into arrangement with some other American radio concern. Mr. Chen charged the Radio Corporation of America with violating its contract with the Ministry of Communications by establishing communication with the puppet Manchukuo. He advocates definite action against the Corporation if it continues to ignore the protests of the Ministry which have been made on several occasions. Specifically, he mentioned the possibility of stopping communication with the Corporation and cancelling the contract as an ultimate measure against the Corporation's alleged violation of its contract with China. In that event, Mr. Chen pointed out, the radio communications between China and the U. S. A. would be interrupted and for the purpose of preventing that contingency, he has advocated the conclusion of the traffic contract with the Mackay Radio Company. Continuing, Mr. Chen said that he had previously consulted both Li Fan-yi and Wang Chung-chih in this matter and both of them had concurred with him. But after the signing of this contract, for reasons best known to themselves, Chen stated, they suddenly changed their attitude and objected to the conclusion of the contract and published abusing statements in the papers, charging him with selling the interests of the country to foreign companies. In conclusion, Mr. Chen said that both Mr. Li and Mr. Wang had had some grudges against him in the course of their official duties and charged both with inducing him and Minister Chen Ming-shu into signing the contract with the Marconi Company for the purchase of the equipment for the Radio station which he has considered disadvantageous and unnecessary.

Late in 1929 and early in 1930 the National Ministry of Communications signed contracts with the Radio Corporation of America, the German Telefunken and with a French company for the establishment of radio telegraphic communication between China and America, China and France and China and Germany. In accordance with these contracts and ensuing traffic agreements two large radio stations were constructed at Chenju and Linhong near Shanghai. The con-

tract between R. C. A. and China is supposed to be exclusive for all messages not marked otherwise by the sender. Prior to the establishment of the radio stations the so-called Cable "trust" including British, Danish and American interests enjoyed a monopoly of China's external telegraphic communications. The Chinese Government in 1930 also revised its contract with the foreign cable interests, eliminating the monopoly clauses.

The complete text of the contract with the Mackay Radio Company providing for direct radio Communication with America is as follows:

Contract entered into between the Ministry of Communications of the Republic of China (the First Contracting Party, hereinafter to be named the Communications Ministry) and the Mackay Radio Company, Incorporated in the State of California, U.S.A. with Head Office at 67 Broadway, New York, U.S.A. (the second Contracting Party, hereinafter to be named as the Company) on the date of 27th of June, 1932.

Whereas, the Communications Ministry has established a number of Radio Stations at Shanghai for the purpose of carrying on direct commercial communication with the various radio stations on the Pacific Coast of America;

Whereas, the Company has established a number of stations at the Philippine Islands, Hawaii and on the Pacific Coast of America; and

Whereas, the Company has maintained direct radio route lines within the United States of America and between the U.S.A. and Cuba, Colombo, Peru, Argentine, etc., which can directly communicate with the radio stations of the Communications Ministry above-mentioned; and

Whereas, further, the two contracting Parties desiring to make use of the radio stations of both and with human labor and high efficiency automatic mutual device to carry on commercial radio communication between China and the various countries above-mentioned, hereby enter into the following agreements:

Art. 1.—The Communications Ministry and the Company shall each provide its respective stations with machinery equipments of most modern type and shall adopt suitable and effective measures to maintain the same, so as to enable China to simultaneously dispatch and receive radiograms to and from the Philippine Islands, Hawaii, and the U.S.A.; and shall provide a sufficient and well-trained personnel for service. Hereafter, within the working hours of the day and night to be mutually agreed upon by both contracting parties, stations of both parties shall be provided with suitable equipments so as to enable them to speedily receive and dispatch radio messages.

Art. 2.—The Communications Ministry agrees to dispatch all the telegrams with marked routes and marked "via Mackay" through the Company's Stations and the latter agrees to accept the above-mentioned telegrams for transmission. But the situation of the Company's Central Business Offices established at Manila, Honolulu and San Francisco shall afford facilities at least equal to those offered by the business offices of other competing telegraph concerns and the Company shall at the same time devote the Stations in the above-mentioned places for exclusive commercial use.

Art. 3.—The Company agrees to dispatch all the telegrams within its sphere of control destined to China or transmitted through China, through the Stations of the Communications Ministry, with the exception of those with stated routes by the senders, and the Stations of the Communications Ministry agree to accept the above-mentioned telegrams for transmission. But the location of the Central Business Office established by the Communications Ministry at Shanghai shall be as convenient of approach as the business offices of other competing telegraph concerns and the Comunications Ministry shall devote the Stations above-mentioned for exclusive use of commercial messages.

Art. 4.—Except otherwise provided by this Contract, matters relating to accounting of the radio messages and the settlement of accounts shall be regulated in accordance with the Business Regulations of the International Telegraph Covenant and the revised regulations of the said convenant. Distribution of charges for each word of the telegrams dispatched over the above-mentioned routes shall be as follows:

(*a*). Charges for telegrams over wireless routes outside the center of Shanghai shall be administrated by the Communications Ministry.

(*b*). Charges for use of wireless routes shall be divided between the two contracting parties in accordance with the ratio of two-thirds to the dispatching station and one-third to the receiving station.

(*c*). Charges for telegrams over wireless routes beyond the terminus of Manila, Honolulu and San Francisco shall be administrated by the Company.

Accounts of both Parties shall be settled once every three months with the Gold Franc as unit of calculation. Balances shall be remitted through mutually-agreed financial organs.

In accordance with the above provisions, the Communications Ministry shall daily deposit in a trust company the charges for messages dispatched from Shanghai over the above-mentioned wireless routes which should be marked off as belonging to the Company. At the same time, the Company shall likewise daily deposit in a trust company the portion of the receipt of charges belonging to the Communications Ministry for messages dispatched from Manila, Honolulu and San Francisco over the above-mentioned wireless routes.

Art. 5.—The rate for each word of the messages dispatched over the above-mentioned routes shall be regulated by mutual agreement of the contracting parties with the Gold-Franc as the standard, but it shall not be higher than that charged by other competing communication concerns. As regards matters relating to the reduction of rates for deferred messages, news dispatches and other special business telegrams, they shall be regulated by mutual agreement of the two contracting parties. As regards the official messages of both the Chinese and the United States Governments, charges for the same between the two ends of the wireless route shall be reduced to one half, but charges for such official messages over the routes beyond the wireless route shall be paid in full. As regards the charges for the business messages of the contracting parties, they should be entirely free, but in case of interruption of direct communication, charges for business messages of both parties shall be defrayed by each respectively.

Art. 6.—In case the traffic on the above-mentioned radio routes becoming too congested or slow, the two contracting parties, for the purpose of public interest, may hand over these messages to other telegraph concerns for transmission, but if difference exists between the rates over the wireless and those of such telegraph concerns, the balance should in accordance with the regulations for the distribution of charges over the wireless route be recorded in the respective accounts of both parties before the division of the same. As regards this provision, either of the two contracting parties can notify the other party to cancel it within an appropriate period of time or a limitation be imposed on such balances at each month on either of the contracting parties. In case of interruption or destruction of any receiving or dispatching stations themselves, the connecting route lines between such stations and the connecting route lines of such stations with the Central Business offices. remedial measures should be adopted to restore the same to the previous conditions or they should be entirely reconstructed within the shortest period of them.

Art. 7.—The Company expresses its willingness to offer all its international radio communication system to the Communication Ministry for transmission of all telegrams dispatched from or forwarded through within the various parts of the country of the said Ministry. At the same time, the Communications Ministry expresses its willingness to offer all its Communications system to the Company for transmission of all telegrams dispatched from the various countries of America or dispatched from other countries where the Company maintains good communication organizations.

Art. 8.—The two contracting parties should mutually assist each other for the purpose of achieveing success and acquiring profits of the jointly operated route lines.

Art. 9.—In case of war or other common public danger, the Communications Ministry shall suspend operation of the various stations within its control or the United States Government shall take over the control of all the Stations of the Company for administration. During the period of suspension and administration of the company's stations by the U.S.A. Government, operation of this contract shall be temporarily suspended. But as soon as the above circumstances are over, the contract shall become effective in its entirety at once.

Art. 10.—The two contracting parties shall in a friendly attitude mediate and avoid disputes over the performance of the obligations of this contract. In case, such disputes can not be mediated or settled, the same shall be submitted to arbitration. One party shall invite one arbitrator and notify the other party in writing and requests the other party to invite another arbitrator. The other party, after receipt of such notification, shall within a period of ten days invite a person as the second arbitrator and notify the first party to that effect in writing. Then, the two appointed arbitrators shall select and invite a third arbitrator. If after the receipt of notification of the appointment of the second arbitrator by the first Party, the two arbitrators can not within twenty days mutually agree on the selection of a third arbitrator, the two parties should jointly request the president of the International Telegraph Association in Switzerland or some other high officials of that Association to select a third arbitrator. As regards the decision of disputes, if made by the unanimous agreement of the arbitrators or approved by the majority of them, the two contracting parties shall be obliged to abide by the same. The place for the holding of sessions of arbitration shall be decided by the arbitrator themselves. The costs involved in such arbitrations shall be borne up by the losing party or be proportionately shared by the two parties, the ratio for the same to be decided by the arbitrators.

Art. 11.—The Communications Ministry and the Company mutually agree to co-operate with each other and make efforts to solicit radio business. The Communications Ministry agrees further to issue telegraph blanks with stated routes for purpose of explanation in order that the senders may mark out the particular station from which to dispatch the telegram and after marking out the station, the telegrams should be dispatched by the same accordingly.

Art. 12.—Both of the contracting parties are at liberty to conclude radio contracts with other countries, but such contracts shall contain no provisions contrary to the provisions of the second and third articles of this contract.

Art. 13.—This contract shall become effective from the date of signature and its period of effectiveness shall be eight years from date of enforcement. After the period of eight years, it shall continue to be in force but the period of effectiveness shall be limited to five years each time. However after the expiration of the original period of eight years or after the expiration of the extension of five years' period, either of the contracting parties may notify the other party in writing for the cancellation of this contract, but such notification must be made at least one year before the expiration of period of effectiveness.

Art. 14.—The two contracting parties and their sucessors or their lawful representatives or assignees shall all observe the duties and rights imposed upon and conferred by this contract. The duties and responsibilities of this contract towards the Communication Ministry and the Company shall be interpreted and enforced according to the laws of the Republic of China and the State Statutes of the State of California, U.S.A.

Art. 15.—This contract shall be drawn up in two sets in the Chinese and English Languages and the contracting parties shall each retain one set which should be mutually checked and contain no error. In the event of disputes over the meaning of words in the Chinese or English languages, such disputes shall be submitted to the arbitrators for arbitration in accordance with the provisions of Article 10.

It is hereby certified that the two contracting parties have affixed their signatures to this contract through their legally-appointed officials of both parties and that this contract becomes effective from the date of signature.

Signed by

CHEN MING-SHU for the Communications Ministry.
JOHN F. RHAME for the Mackay Radio Company.

China Suspends Japanese Boxer Payments, Heavily Increases Customs Duties

DECISIONS of momentous importance by the National Government of China have of late been following each other in rapid succession, some of which are viewed with considerable consternation, particularly by foreign interests and foreign residents in China. The most daring of all these decisions was taken at the end of last week (July 30) when T. V. Soong, Minister of Finance announced at Nanking that payment on the Japanese portion of the Boxer Indemnity due at the end of July, amounting to approximately £33,000, would for the time being be withheld. Commenting on this action, Mr. Soong stated that up to now the national government had continued regular payment to Japan of the monthly instalments of the indemnity, in spite of the fact that Japan, in violation of existing international agreements, has been seizing in Manchuria Chinese Government revenues pledged to meet loan and indemnity service, but now that these seizures have run to very large figures, and particularly in view of the shortage of revenue in relation to loan and indemnity commitments, to which shortage these seizures largely contribute, the National Government is not in a position to continue these payments to Japan as heretofore, as it has not been receiving the Manchurian customs revenue collected since the Japanese authorities seized the customs houses.

China's bold action in this respect has naturally caused consternation not only in Japanese quarters but also in many others. China as regards the Boxer payments is pretty much in the same position as is Germany regarding payments under the Versailles treaty, namely that it feels that times have changed since these indemnities were imposed and it sees no reason why it should pay them if by any chance it can get out of doing so. One after another of these Boxer payments have in past years disappeared, or, as in some cases, their direction has been changed so that the money instead of being diverted abroad has been used mostly within the country. The Boxer indemnities to Germany and Austria disappeared as a result of the World War. The Russian Boxer indemnity was abrogated as a result of the Sino-Russian agreement of 1924. The indemnities to the United States and Great Britain, while still collected, are remitted by those two countries—in the former case the money being mainly used for educational purposes and in the latter

mainly for railway construction. Belgium, Netherlands, Italy and France have in recent years also made agreements with China providing for the return of Boxer indemnity payments, but as regards these four countries little is heard on the subject of what is being done with the money. Some years back the Boxer funds were used to resuscitate a Sino-French banking enterprise which had gone on the rocks. In March, 1923, the Japanese Government promulgated a regulation known as the "The Law of the Chinese Cultural Works Account," the announced object being to create a so-called Chinese Cultural Fund utilizing the balance of the Boxer payments due to Japan. Later on the Japanese Foreign Office created a "Bureau of Cultural Works," which was announced to have the following five major objectives: Establishment of an institute of science and culture; to provide scholarships for Chinese students in Japan: subsidizing of educational institutions and hospitals operated by Japanese in China; improvement of preparatory educational institutions for Chinese students in Japan; and exchange of lecturers between China and Japan. During the decade since the Japanese took this action, little has been done except to construct a large building in the Shanghai French concession which incidentally is still unoccupied. Stated baldly the Japanese have done practically nothing to carry out their agreement to return the Boxer payments to China and as a result various Chinese educational leaders appointed to serve on joint-committees with the Japanese in order to carry out the Japanese regulations have resigned on account of the obstructive tactics of the Japanese or lack of good faith on their part. Under such circumstances it is not surprising that China has decided to abandon payments to Japan entirely.

The tension in connection with the matter of Japan's Custom Boxer indemnity was somewhat eased on August 2 when a telegram from Nanking stated that the Ministry of Finance had received a report from Sir Frederick Maze, the Inspector-General of Customs, that a remittance of Shanghai Taels 843,675.44 had been received from the Dairen branch of the Yokohama Specie Bank, this representing about a third of the Customs revenue detained before the seizure of the Manchurian Customs, and therefore the Japanese portion of the Boxer Indemnity held in suspense in the Hongkong and Shanghai Banking Corporation had been released. The Inspector-General was instructed by the Ministry to renew his demands concerning the remittance of other deposits detained in Antung, Newchwang and Harbin.

Financial circles in London are quoted by *Reuter* as expressing the opinion that China's credit will not be improved by the decision to withhold payments of the Japanese Boxer Indemnity. Japanese circles naturally point out that China's action breaks the treaties entered into after the Boxer troubles, and that China's action in this respect is a bad precedent for the other countries who are parties to the treaty. However, under the circumstances Japan is not likely to receive much comfort from any other signatory to the Boxer treaty, except possibly France, and as things stand at present it would seem that the only way for Japan to collect this indemnity in future will be to attempt to do so by force—and that, while it might be possible, would in the end, as previous events have shown, not be profitable.

Another decision taken almost simultaenously with that noted above as regards the suspension of the Japanese Boxer payments, and one which has caused particular anxiety among foreign interests in China has been a heavy increase of duties on articles coming under the class of luxuries. The decision to make these heavy increases was taken without any warning whatever. The announcement was made at Nanking on July 31 (which was a Sunday) that the duties would come into force on the following day, namely August 1, and although this was not carried out pending the formality of having the procedure approved by the government at Loyang, the indications are that millions of dollars worth of cargo now en route will be subject to duties which the importers had not reckoned with. The new duties are explained as being designed to make up the deficit of about twenty million taels annually caused by the seizure of the Manchurian customs by the Japanese. Wines, silk and artificial silk have been particularly hard hit. A notable feature of the duties is that the rate on raw silk is boosted from 35 per cent to 60 per cent. This is evidently aimed particularly at the Japanese as Japanese raw silk has lately been coming into this market. It was only a few days previously that announcement was made that the flood surtax of ten per cent would be continued after August 1, although it was originally contemplated that part of it would terminate on that date. Of the money collected under the heading of surtax, half will go to pay for American wheat and half to help to pay the Chinese Government's loan obligations. Thus has China once more demonstrated its independence in the matter of Customs duties. The new rates (for example, 80% on wines, 30% on toys, 20% on medicines) certainly furnish a sharp contrast to but a few years back when China was held down by the Foreign Powers to a five per cent duty and even this was nominal, as in many instances the duties worked out to something under four per cent. A Customs Notification on page 373 of this issue of *The Review* contains a complete schedule of the new duties.

In the meantime also the National Government has remained firm in its determination to blockade not only the Manchurian posts but also the Manchurian customs. As regards the blockade of the posts China has everything in her favor as the Manchukuo postal regime has not, so far, been recognized by the International Postal Union. As regards the blockade of the Manchukuo Customs, a decision to this effect has already been made at Nanking, but for the moment the actual move of putting it into effect has not yet been commenced. T. V. Soong, Minister of Finance, H. O. Tong, Superintendent of Customs in Shanghai, and Sir Frederick Maze, the Inspector General, have been in conference regarding the procedure to be adopted, which is somewhat complicated by the special position enjoyed by the Dairen Customs. Competent observers comment that without effective measures being adopted by the Government to prevent the activities of the Dairen Customs, the order for the blockade of the Customs in other Manchurian ports can never be carried out successfully.

The War on China's Far-west Border

(*The following paragraphs are reproduced from the outport correspondence from Tachienlu, West China, which appeared in the North-China Daily News on July 28. The article was dated June 30, hence required practically a month to reach Shanghai. Tachienlu is located several miles to the southwest of Chengtu, capital of Szechuen. A previous article on the subject of the war with Tibet, by C. Y. W. Meng, correspondent in Nanking appeared in The Review on July 23*).

The persistent rains throughout Eastern Tibet are very much embarrassing the Chinese forces attacking the Tibetans. At Kanze the Chinese are on the left bank of Nya and the Tibetans on the right. They have been there now for more than two months, both armies facing each other, one defending, the other attacking. The Nya is now in flood and reports say that some days ago while the Chinese were attempting to cross they were fired on by the Tibetans, while in mid-stream, and a large number lost their lives. Among those lost were a considerable number of Lolos.

The Tibetans, very largely lamas from the Dajay lamasery, hold an almost impregnable position on the right bank of the Nya, and to dislodge them the Chinese will have to sacrifice a large number of men. This they are prepared to do and the Tibetans make the boast that it will take all the armies in west China to dislodge them. Several days ago a serious battle was fought, the Chinese losing heavily, in an attempt to cross the river.

The Tibetans Are Arrogant

Every victory gained by the Tibetans makes them more and more arrogant and boastful, and should they succeed and gain the ascendency in Eastern Tibet, the people will find themselves under a very turbulent and truculent rule. Since China completed her subjugation of Eastern Tibet in 1910 there has been very little peace or good government. The Tibetans have been trying to regain what they lost and the Chinese have been struggling to hold what they gained. In many places it has been a very keen struggle; sometimes success following the Chinese; at other times the Tibetans have succeeded in driving the Chinese back to the border. The present useless adventure is merely another struggle for supremacy on the border, and the unfortunate thing is that no side appears to win. The line of demarcation drawn by H. E. Chao between China and Tibet comes down through Chamdo to Batang. Later this was changed and this time the line of demarcation between the two countries was drawn much nearer the old border, originally a mile or so beyond Tachienlu.

Both armies are now facing each other across the Nya at Canze and both are determined to put up a stiff fight. Apparently the Tibetans have no desire to cross the Nya but are prepared to resist any army that tries to do so and occupy Tibetan territory on the other side.

With the terribly rainy weather, the appalling condition of the roads, the embarrassing state of the transport, the swollen condition of the rivers, the dangers attending the crossing of the Nya, and the strongly fortified position of the Tibetans on the other side, make the present a very opportune time to seek peace and ensue it.

Nothing to Gain

The Chinese by continuing the present struggle have everything to lose and absolutely nothing to gain: nothing but high table-lands, producing very fine grass, and nothing more; and people have always refused to eat grass when there is an abundance of rice. Suppose China gained her objective and controlled all the country east of Chamdo, what then? The commercial loss would be gigantic and trade would seek an outlet either through Yun-nan or Kansu. The present trouble which has lasted now for nearly one year has been disastrous to trade and commerce along the Szechuan-Tibetan border. Tachienlu, a flourishing commercial city ten and twenty years ago, the greatest trade mart between China and Tibet, unless the present warfare terminates, bids fair to become another Songpan—a large city with no business. It would be most unfortunate, if militarism, unwisely pursued, laid its dead hand upon the largest trade emporium in central Asia.

News now comes from Batang that that city is in imminent danger of falling into the hands of the Tibetans. Towards the end of May a serious quarrel took place between Gezang Tsering and the Gong-ga lama. A battle took place near Tsong-ngai in which Gezang was defeated. It appears that the Gong-ga lama was negotiating with a Chinese officer named Ma whom Gezang had ousted from Batang, and with the Tibetan troops from Markham. Gezang was hemmed in between the Gong-ga's troops and the Tibetan soldiers and had to fight his way back to the Yangtse. Fortunately he had left a gun and some fifty men on the left bank of the river, commanding his retreat. Under the cover of this gun he was able to cross the Yangtse and regain Batang with the Tibetans at his heels. A fierce battle then raged between the Chinese and Tibetans for a day and a night just outside Batang. It is difficult to gather just what took place.

The Foreign Christian Mission have their hospital orphanage, and church on a piece of high ground, overlooking the city, and known as Ja-po-ding. Mr. and Mrs. Duncan and family, and Mrs. Ogden and Miss Young, were in possession of the buildings when the Chinese retired on Batang. Then it would appear that the Tibetans captured and occupied the premises on Ja-po-ding, stationing soldiers in the hospital for some time. A Tibetain officer assured Mr. Duncan that he need have no fear from them; however the Tibetan rabble with the army plundered the Orphanage storehouse, carrying off a lot of goods. How long the Tibetans were in possession of the American hospital we do not know, but Gezang mustered several hundred local Chinese and Tibetans and made a surprise attack on Ja-po-ding. Serious fighting took place around the mission buildings and bullets came dangerously near the Americans inside.

So determined was the attack that the Tibetans took to flight, chased by the Chinese till they reached the Yangtse, thirty miles away. Here a stampede took place and some eighty Tibetans were drowned in crossing the river. Considerable ammunition and rifles were also lost. The Chinese lost some twenty killed and twenty wounded; the Tibetan casualties being unknown.

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Tibetans Launch Another Offensive on Sikang

The Tibetans commenced another offensive on Sikang and Kokonor (Chinghai) by four separate routes during the latter part of last week. The first column is attacking Changhua via the Yalung River; the 2nd column is making for the rear of the Szechuen forces via Yulung; the 3rd column is again advancing on Kantzu while the 4th column is assailing Hungmao, southern Kokonor.

For the recovery of Tachinshih (monastery) until recently the base of operations of the Tibetans, the Dalai Lama has despatched five 'Tai-pen" (battalions) from Teko. Fighting between the combined Szechuen-Sikang forces and the Tibetan invaders has been renewed since July 20, and it is reported that the Dalai Lama has appealed to the Nepal government for reinforcements.

In view of these fresh developments, a delegation of Sikang residents in Nanking has submitted a petition to the Central Party Headquarters and the Executive Yuan urging that concrete measures be immediately formulated for the solution of the Sikang-Tibet dispute and that General Liu Wen-hui, Chairman of the Szechuen Provincial Government and concurrently Defence Commissioner for the Szechuen-Sikang Border, be instructed to continue the drive against the Tibetans so as to retrieve all lost territories.

They also urged the despatch of more Szechuen troops to reinforce the combined Szechuen-Sikang units and the transportation of military supplies to the Government forces in Sining. They urge that the Nanking office of the Dalai Lama should be abolished and the people of Sikang should be allowed to organize a self-defence army to resist the invasion of the Tibetans.

Tibetans Driven Out of Chinese Areas

Further successes for the Chinese troops in their struggle against the invading Tibetans were recorded in a telegram received at Nanking August 12 from General Liu Wen-hui, the Chinese commander, who declares that his men have completely driven out the enemy from Chinese territory. General Liu adds that he is waiting orders from the central government before advancing into Tibetan territory.

National Government Gives Help to Mongolians

Three resolutions regarding Mongolia were passed at the 53rd meeting of the Executive Yuan at Nanking July 29. The proposal of Dr. Chu Chia-hua, Minister of Education, calling for the appropriation of funds for the printing of Chinese-Mongolian text books was adopted. Upon the recommendation of Shih Ching-yang, Chairman of the Mongolian and Tibetan Affairs Committee, it was decided

to send deputies to Inner Mongolia for the purpose of providing quarters for the large number of refugees pouring in from Outer Mongolia. The deputies are to cooperate with the various Provincial Authorities and heads of the Mongolian Leagues concerned in matters relating to investigation and accommodation of the refugees. The third resolution called for the remittance by the Ministry of Finance of educational funds to the Mongolian and Tibetan School at Peiping in compliance with a petition from its principal, Yang Feng.

Plan Is Discussed to Redeem Kiaochow-Tsinan Railway

The question of the complete redemption of the Kiaochow-Tsinan Railway was raised at a reception given at Tsingtao July 29 by the Railway Administration Committee to a party of business and industrial leaders of Shanghai who had arrived in that city to investigate business and industrial conditions. The party included Messrs. Wang Hsiao-lai, Chairman of the Greater Shanghai Chamber of Commerce, and Lin Kang-hou, Chairman of the National Associated Chambers of Commerce.

In welcoming the visitors, a spokesman for the Railway Committee pointed out that the railway still owed to Japan the sum of 40,000,000 gold yen (about Mex. $80,000,000), which must be paid within five years, if the Chinese are to take over complete control of the Railway. He pointed out that the annual net profits of the railway amount to about five to six million dollars. Thus, the profits which will be accumulated in five years will cover only about one-third of the debt. He expressed the fear that should China fail to repay this liability within the stipulated period, the Japanese may again seize full control of the railway.

In urging the people to devise means to raise a lean for the repayment of the Japanese debt so that China may regain complete control, he suggested that the annual profits of the railway might be allocated as security for a voluntary public loan. He hoped that the business leaders would take the lead in this matter.

Improved Administration for Canton-Hankow Railway

The Ministry of Railways has specially organized a Hupen-Hunan Railway Readjustment Committee for the purpose of improving administration on the Hupeh-Hunan section of the Canton-Hankow Railway. Liu Ching-shan has been appointed Chairman of the Committee, with Messrs Ho Ching-wu, Tu Wei-tseng and Chen Fa-wen as members.

It is understood that the period of readjustment has been fixed at four months, during which time all affairs pertaining to the management of the Line are to be jointly handled by the Committee and the Managing-Director of the Railway.

Fewer Chinese Students Going Abroad This Year

The number of Chinese students going abroad this year is half of that of last year, according to statistics available at the World's Chinese Students' Federation, Shanghai. From July 1, 1930, to June 30, 1931, 1,228 students sailed for foreign countries to further their studies. From July 1, 1931, to June 30, 1932, only 542 students have secured permission from the Government to study abroad. Of the 542 leaving for abroad this year, 150 are to study in the United States, 131 in Japan, 121 in France, 74 in Germany, 29 in Belgium, 28 in Finland, 3 in Canada, 3 in Sweden, 2 in Italy and 1 in India. The reduction is seen in the number of students leaving for Japan, as in the year previous 671 went there.

Upton Close Brings Another Group of Tourists to China

Upton Close, well-known American writer and lecturer on Pacific subjects, brought to Shanghai during the week his sixth annual party of tourists. The party consists mostly of teachers and students. Prominent among the group are Henry H. Villard, son of the editor of the New York *Nation*, who will proceed from here to Russia and then return to New York via Europe, and James D. White, a graduate of the Missouri School of Journalism, who is proceeding to Peiping where he will be an exchange professor at Yenching University. Mr. Close in an interview said the American people are beginning to look upon the Japanese military machine as a thorn in the flesh of the world.

Chinese Want District Court Agreement Revised

Preparations are being made by the Chinese judicial authorities to revise the Provisional Court Rendition Agreement which will expire at the end of March, 1933. The attention of the Chinese authorities is stated to be centred upon the following points:—

Judicial police. Under the present agreement, members of the court's judicial police are provided by the Municipal Police and they execute the court's warrants for search, arrest, etc. Aiming at the change of the present tribunal into a purely Chinese judicial organ, the Chinese officials, during the negotiations for the revision of the Rendition Agreement, will ask to substitute their own judicial police for the men now provided by the Municipal Police.

Foreign lawyers. According to Chinese law, foreign lawyers cannot appear before any Chinese tribunal, but under the present Rendition Agreement, there is an exception in cases involving foreigners which come up for hearing before the Special Area District Court of Shanghai. The Chinese judicial authorities are trying to abolish this exception in future.

In addition to these problems, the Chinese will also try to revise the present agreement so that the control of prisons will pass from the Municipal Council into the hands of the court authorities and that procurators of the court will be given the opportunity to exercise all its functions as prescribed by the Chinese law.

The "Over-Population" Fallacy

(*New Republic, July 6*)

We have had repeated indications in recent weeks that the present rulers of Japan are in an aggressively chauvinistic mood. The latest evidence came in a speech, of ominous implications, made by Viscount Ishii at a recent dinner of welcome to Ambassador Grew. Viscount Ishii, in what was obviously a carefully prepared and officially sponsored address, virtually set up a Japanese Monroe Doctrine for the Far East. He based this upon the familiar old contention that the Japanese population is rapidly growing and that it must have room to expand. Somebody ought to tell Viscount Ishii that this moth-eaten doctrine no longer is acceptable, even to gullible American public opinion. The answer to it is threefold: first, that the Japanese government has not persuaded and cannot persuade its people to migrate to Manchuria in any important numbers; second, that long experience proves that emigration, even on the greatest scale, does not relieve the problem of overpopulation (as is proved by the experience of Italy, which exported a million of her people a year for decades only to find her territory as crowded at the end of this process as at the beginning); and third, that enlightened opinion no longer condones a nation which recklessly increases its population and then demands that territory be found somewhere to take care of the surplus. The answer to Japan's situation, and the only answer, is the stabilization of her population.

America to Europe: Disarm if You Want War Debts Cancelled

A *Reuter* telegram from Washington July 28 stated that the United States Government does not intend to take the initiative in any step for the revision of war debts and that, should it agree to such a course, it will demand drastic disarmament as the price.

Meanwhile, the Republican leader, Senator James E. Watson of Indiana, demands the disarmament of Europe as a preliminary measure to the projected world economic conference if, as suggested by Senator William E. Borah of Idaho, it has on its agenda the subject of war debts.

Strikes Prohibited in Shanghai Area

With a view to curbing the labor unrest which has prevailed in Shanghai since the Sino-Japanese hostilities, the Greater Shanghai Municipal Bureaus of Public Safety and of Social Affairs have jointly issued an order strictly prohibiting the declaration of any strike or walkout. The order points out that as martial law has not yet been lifted, special authorization must be obtained from the competent authorities for the holding of any meeting or the formation of any organization. Meetings aiming at the declaration of a strike are especially likely to cause disturbance of public order and peace, and must therefore be strictly prohibited.

Development of Airways in the "Middle Kingdom"

BY C. Y. W. MENG 孟昭泳

CATHAY, generally known as the "roadless," has indeed surprised the world, not only by the wonderful progress that she has made in recent years in her road building, which has been adapted to the motor traffic, but also by the rapid development of her air services. China has revealed to the world that she has become quite "air minded," and is quite anxious to develop herself to be one of the countries in which the air services are well developed.

The above is a fac-simile reproduction of a slogan written by General Chiang Kai-shek, in aid of the aviation movement in China. Posters containing these four words—"Hong Kung Jue Kuo"—which mean "Salvation of the Country through the Development of Aviation," are being displayed everywhere throughout China.

In the spring of 1929, the National Government realizing the importance and necessity of developing the air services in the country, in an order instructed that the air services be developed. An agreement was reached with an American airplane manufactory to form a China aviation company, of which Sun Fo, the then minister of railways, was president of the board of directors. It was agreed that the company should undertake the task of developing the Shanghai-Nanking, Nanking-Peiping and Shanghai-Canton routes. But at the end of that same year, Sun Fo resigned from the presidency, apparently due to the fact that he had realized that the development of the air services should be undertaken by the Ministry of Communications and, by resigning from the post, he indicated that he would like to hand over the task to the Ministry of Communications. So a reorganization of the China aviation company took place. Wang Pei-chun, the then minister of communications, was elected as the president of the board of directors of the newly reorganized corporation which has hence been known as "China National Aviation Corporation." This is the first corporation of this kind ever established in China. This was one of the great achievements accomplished under the nationalist regime, the other being the establishment of direct radio communication between China and foreign countries.

Some New Principles Involved

It must be mentioned here that the Agreement that was signed between the Chinese Government and the American interests to form the China National Aviation Corporation is the first one that is really "compatible" with Chinese sovereignty. Formerly, when China used to form joint enterprises with foreign interests the usual process was that the Chinese and foreign interests should own equally the shares (that is, 50 per cent each). But experience, after the formation of the corporation, showed that the foreign officials began to monopolize the whole administration. This has been especially true in the Three Eastern Provinces (Manchuria) where the Chinese provincial authorities and the Japanese interests agreed to start some enterprises jointly. But after the organization of the corporation, the Japanese began to put everything into their own hands. So, as observers have commented, the Sino-Japanese joint enterprises in Manchuria have proven to be quite "undesirable" and have been a source of constant conflict between the Chinese and Japanese, at last culminating in the present Sino-Japanese crisis in Manchuria.

But the China National Aviation Agreement as wel as the whole enterprise between the Chinese Government and the American airplane manufactory is quite different in nature. Owing to lack of space, it is not possible to publish the Agreement in full, but the most important points are mentioned below:—

1. China is to own more shares than the Americans, in the ratio of 55-45. By virtue of this, China is entitled to have more rights than the American shareholders.

2. A board of directors is to be established and be made up of Chinese and Americans. But instead of an equal number of members, it is stipulated in the Agreement that there should be four Chinese and three Americans on the board.

3. A Chinese should be the general-manager while an American should be the assistant general manager. But all powers over the administration, etc., are in the hands of the Chinese general manager.

4. By agreement, the American technical experts would undertake to train the Chinese for the task, the idea being to utilize the foreign employees for training up the Chinese.

With the exception of the technical experts, who are mostly Americans, all other staff members of the Corporation are Chinese.

These principles, as embodied in the Sino-American Agreement, are now always applied in all other agreements that China has entered into with foreign interests whereby the Chinese and foreigners agree to undertake enterprises in China. When the Chinese Government signed an agreement with the German interests to form another aviation corporation known as "Eurasia" Aviation Corporation, which undertakes the development of air routes between China and Germany, the same principles were included.

New Routes Open

When the China National Aviation Corporation was first organized, it undertook only to open the air route between Shanghai and Nanking, but only a short time later its route was extended to Hankow and Peiping and Chungking.

We are informed that the Corporation has already decided upon an elaborate scheme to develop its business and will soon open the following routes:—

1. To extend Nanking-Peiping air line to Harbin, passing through Chenteh (Hopei Province), Chaoyang (Jehol Province), which was recently subjected to Japanese air bombing, and Shenyang (Mukden).

2. To extend Shanghai-Canton air line to Kungmin (Yunnan), passing through Wuchow (Kwangsi) and Kweilin (Kwangsi).

3. To extend Shanghai-Hankow air line to Lanchow (Kansu), passing through Shenyang (Shansi) and Sian (Shensi).

4. To extend the Shanghai-Hankow-Chungking (Szechuen) air line to Kungmin (Yunnan), passing through Kweiyang (Kweichow Province).

The purpose is stated to be to develop the means of communications with the interior and to carry the native products to the seaports, whence they may be exported.

"Rapid Development"

That there is a tendeney towards "rapid development" of air services in China is shown by the statistics noted below:—

Months	Average Number of passengers carried in one day	Average Amount of letters carried in one day (in pounds)	Average amount of parcels carried in one day (in pounds)	Average monthly revenue from postal and passenger charges
(1929)				
October	3.1	27.8	—	$ 4,556.00
November	3.5	112.3	—	26,882.23
December	3.8	209.0	—	37,439.40
(1930)				
January	2.4	58.9	—	18,739.71
February	3.6	66.6	—	21,541.95
March	3.3	102.5	—	22,368.20
April	4.0	103.0	—	25,515.24
May	3.9	103.5	—	28,791.32
June	4.1	102.0	—	29,069.84
July	5.6	104.0	—	30,984.69
August	7.3	116.0	—	42,288.99
September	7.1	127.4	—	37,716.60
October	10.3	152.4	5.6	46,234.75
November	10.8	159.6	7.3	44,688.00
December	8.2	190.1	11.5	42,613.88
(1931)				
January	4.0	138.0	5.7	28,326.41
February	5.1	152.5	8.3	29,266.14
March	7.6	183.0	9.3	40,258.43

The China National Aviation Corporation first started its service on October 21, 1929, but the parcel service was not started until one year later.

Nanking-Berlin in Six Days

The Eurasia Aviation Corporation was formed through an agreement between the Chinese Government and German interests. It undertakes to develop the air route between Nanking and Berlin, passing Outer Mongolia and other Russian territory. It now takes only six days from Nanking to Berlin. It is reported that the Corporation has another elaborate scheme of future development of the air routes in north China. What hinders the progress is the present situation in Manchuria, as created by the Japanese forcible occupation of Chinese provinces.

National Salvation via Aviation

Through their bitter experiences during the Sino-Japanese war in Shanghai when the Japanese brought about great havoc in the Chinese territory, while the Chinese air forces were too weak to offer any effective resistance, the Chinese have realized that to develop aviation is to save the country. Headed by Gen. Wang Ping Heng, the director of the Aviation Bureau of the Ministry of War, a movement is now on foot to organize an association known as "National Salvation through the Development of Aviation." The motto is "Hong Kung Jue Kuo," meaning by these four words: Save the country through the development of aviation! It is reported that preliminary meetings of the preparatory committee were already being held which were participated in by many prominent leaders in all walks of life. In Japan, a similar movement is in progress; the Japanese people have voluntarily contributed their money to purchase 50 airplanes, known as "patriotic planes" and have presented them to the government. The Chinese have also now started the same movement and collect by public subscription money to purchase up-to-date planes, not for the purpose of killing or bombing innocent people but solely for resisting invasion. We are informed that the Chinese overseas have pledged their whole-hearted support to the movement. Many leading papers in the country have also started such a financial campaign for the purpose of purchasing more planes "to protect the country." It is reported that considerable sums are already in hand.

Aviation Schools Opened

China apparently has made a very good start in the development of aviation. More flying schools have been opened to train the Chinese to be aviators. Aside from the military aviation school in Canton, which has trained up quite many young aviators, another one is now being opened in Hangchow, where fourteen American aviators have been engaged as instructors. The school was opened shortly after the conclusion of the Sino-Japanese hostilities in Shanghai, with 100 students enrolled. General Chiang Kai-shek is the president of the school and General Mao is the vice-president. On examination of the school bulletin, it is found that the school is designed primarily to train aviators for commercial purposes. Such courses as air-transportation, air-photography, air-mail-service, etc., are all offered. It is also reported that three more flying schools will be opened simultaneously, respectively in Nanking, Peiping, and Chengchow (Honan).

Nanking, August 1, 1932.

Dean of Canterbury Writes on Road Systems in China

The Dean of Canterbury, who recently returned to England from an extensive tour of China, during which he investigated flood conditions, wrote several articles in the London *Times* describing conditions. Said paper in commenting on the articles says that it by no means follows that better roads would discourage the military satraps and bandits; on the contrary roadways would aid violence; also the building of Chinese railways helped rather than checked the ambitions of generals and feudal bandits. Roads could, however, help in the relief of famine while an immense amount of conservancy is required to prevent famine.

The *Times* adds that without belittling road construction it must not be thought that roads alone will ease the peasant's burdens, which will only become easier when a stable and authoritative government has been created.

Revised Educational Laws Referred to Executive Yuan

The Laws governing the organization of Normal and Vocational schools were revised and adopted at a meeting of the Central Political Council July 27, and referred to the Legislative Yuan. The proposal relating to educational funds, decided upon at the conference of Presidents of the various National Universities and Colleges, which was submitted by Dr. Chiang Mon-lin, President of the Peking National University, was referred to the Executive Yuan.

The meeting also accepted the resignation of Chuang Sung-fu from his post as member of the Legislative Yuan but instructed him to retain his post as member of the Huai Ho Conservancy Board. Ku Shih-i was appointed member of the Legislative Yuan in succession to Mr. Chuang.

Postal Workers Ask for Eight-Hour Day

The fixation of an 8-hour working day for postal workers is called for by one of the resolutions adopted July 21 at the 3rd meeting of the National Conference of Delegates of the Postal Workers' Union. Another resolution calls upon all postal workers in the country to use only native products. The meeting also resolved to suggest to the Government that postal workers should be given representation on the P. O. Committee for the Custody of Funds reserved for the payment of pensions and compassionate grants. Resolutions were also adopted calling for the full publication of accounts of the Post Office, the expansion of the postal services and the revision of the present postal service regulations.

Pistols and Political Plots in Japan

(Harold Fay, the author of this article which appeared in the July 6 Christian Century is editor of The World Call, Indianapolis, Ind., and previously was engaged in missionary work in the Philippine Islands).

A FEW WEEKS ago Baron Dan, the J. P. Morgan of Japan, was shot. He was a member of the financial group which was trying to cut short the ruinous Shanghai episode. A brief time earlier Mr. Inouye, Japan's Andrew W. Mellon, was shot. He was leading the opposition party in an election fight whose main issue was to curb the militarists. Earlier still the Charles Evans Hughes of Japan, Premier Hamaguchi, was shot. He had brought public opinion powerfully to bear in forcing the big navy advocates to accept the London naval treaty. Most recently Premier Inukai, the Japanese Henry L. Stimson, has been assassinated. Imagine the state of the public mind in America if gangsters had successively taken the lives of our secretary of state, our ex-secretary of the treasury, our outstanding financier, and our succeeding secretary of state within a year! Is it any wonder that a leading Japanese daily newspaper brands the political murders of the last few months in that unhappy nation as "government by assassination"?

Strong-arm methods, the favorite instrument of fascism, have thus become a menace to constitutional government in another of the important countries of the world. During the past ten years this influence has been growing in Japan. About a decade ago the richest man in the island empire was murdered. Before the assassin could be seized, he dramatically committed "hara-kiri" (literally, belly-cutting). By this act, which is regarded as a sort of self-martyrdom, he became a popular hero. The criminal's funeral was therefore far larger than that of the financier. Immediately more than two hundred of Japan's men of wealth applied to the police for special protection, lest other gangsters also covet large funerals.

Soon after the death of the poor rich man, Premier Hara, the head of the government, was killed in the Tokyo railway station. The clerk who killed him was a member of the groups of patriotic gunmen which had often been used by Hara for subterranean maneuvers and sometimes as a personal bodyguard. The clerk, who was in a position to know, thought that politics were rotten in Japan, so he knifed the premier as a protest, then calmly permitted himself to be taken into custody. He was detained for a while, eventually tried for his crime, and today is a free man and a popular hero.

China Ronin

The death of Premier Hara, who was the first commoner to attain to the helm of the ship of state in Japan, called attention to the rise of a type of gangster called "soshi." These professional bullies have long been a feature of Japanese life, but have become particularly powerful since Japan became a modern industrial nation. They are employed by political candidates and parties, capitalistic cliques, and others who engage in operations too delicate to be legal. They invented "muscling in" when Chicago was still a marsh. By terrorizing their enemies and blackmailing their friends, the soshi have become an influence to be reckoned with in industrial Japan. During the last few years they have been used to intimidate the rising labor movement, to serve as pawns in petty politics, and to protect smugglers of morphine to China.

Supplementing the activity of the soshi is another underworld group known as the "China ronin." They get their name from a class of free lance fighters who were the heroes of Japanese feudalism. The ronin of story-book tradition were roving, masterless men, "careless of mortality and desperately mortal." The modern China ronin have lost the romantic character of their predecessors. To the outsider, at least, they are simply gangs of tattered desperados who specialize in creating trouble where it is needed in Japan's "continental empire." With a seemingly intuitive sense of where trouble is about to occur, they constitute an unofficial foreign legion whose services have been of immense benefit to the imperialists in recent months.

In early September, 1931, a prominent Japanese visited Mukden. When he returned to Tokyo he gave a public address in which he warned that trouble was brewing in Manchuria. "Everywhere I went I saw China ronin," he said. On September 18 his prediction came true. During the ensuing conflict, the China ronin have created "incidents" as they were needed. The riots in Tientsin in early November in which more than a score of people were killed were undoubtedly due to the activities of these agents provocateur. The mob of Chinese hoodlums which controlled this city of almost a million people during the entire day of November 9 came out of the Japanese concession and were armed with Japanese guns, according to the impartial English-language paper, the *Peiping Leader*. Before this the ronin had participated in the fisheries disputes between Chinese and Japanese in Shantung, and between Russians and Japanese in the waters of eastern Siberia. During the last few months they have been active in the fighting around Shanghai, and have probably had a share in the events which have led the Japanese army in north Manchuria constantly nearer to the Siberian border in quest of "bandits."

Professional Patriots

The third and by far the most important of the extra-legal political factors in Japan is that formed by the patriotic secret societies. The *Nichi Nichi*, a nationally influential newspaper, said not long ago: "Countless patriotic societies exist in Japan, deriving their subsistence from blackmail. They are allowed to flourish openly because both parties use them. Every thinking Japanese condemns them but none dares to attack them for fear of the consequences."

It was the long fight for ratification of the London naval treaty which brought these secret societies into prominence. Premier Hamaguchi, head of the minseito party, was determined that Japan should take her place alongside other nations for the reduction of armaments, and ordered that the Japanese representatives at London sign the treaty. So bitter was the struggle in the diet over ratification of this action that Baron Wakatsuki and Admiral Takarabi, the representatives at London, vacationed in foreign lands until the debate was over fear of assassination. In spite of everything that the patriotic societies could do, the government secured the ratification of the treaty because it was able to enlist overwhelming popular support, and when Baron Wakatsuki at length ventured to return, ten thousand cheering people greeted him at the Yokohama docks. But the victory was not to be without its heavy cost.

On October 27, 1930, the ratifications of the treaty were deposited with the British foreign office, and the occasion was celebrated by having the heads of the United States, British and Japanese governments address the world over a planet-wide radio hook-up. Premier Hamaguchi's words, which were to be his valedictory, are significant of the ideas against which the recent political assassinations are a protest. He said: "One cannot but feel that the moment is favorable for a wide extension of the policy of disarmament embodied in this treaty. Now that the pact of Paris initiated by M. Briand and Mr. Kellogg has definitely outlawed war, it is clear that any breach of that solemn engagement must rally the whole world against the aggressor."

Assassinating a Premier

"The treaty of London has opened a new chapter in the history of human civilization," he continued. "We have once for all escaped from what I may call the pioneer stage, in which every nation's hand is actually or potentially against every other. We have entered on the sane and friendly settlement stage, in which every one is united to suppress intrusions by any one in another's sphere. A momentous step forward on the road of international peace and friendship has now been taken. Let it be a prelude to still greater triumphs for that lofty cause."

Unfortunately, the treaty was a prelude to a reversion into that pioneer stage from which the premier believed Japan had escaped. Two weeks after making this speech he was shot by a member of Aikogusha, a patriotic secret order. His assailant has not yet, a year and a half later, been brought to trial. In spite of this fact, however, the thrilling story of the fight made for the London treaty should not be forgotten, nor the fact that that battle was won by courageous men because the common people of Japan supported them.

One of the best known of the patriotic societies is the Black Dragon society, a secret association of Japanese military officers. It is said to have been so named because its members formulated their policy on a study of

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the Black Dragon province (Heilungchiang) in Manchuria. On the outbreak of the world war this society presented to the Japanese government a remarkable document which is said to have been the foundation for the infamous twenty-one demands. It recommended (1) taking advantage of China's weakness and the world's preoccupation to establish Japanese influence in strategic areas on the continent; (2) inciting revolution against the Chinese republic; (3) setting up a monarchy in China; and (4) forming a defensive alliance with the government so set up. "Now is the most opportune moment for Japan quickly to solve the Chinese question," it read. "We should by all means decide and act at once."

Of all the subterranean groups in Japan, the military secret societies are the most sinister. The recent murders of Inouye, Dan, and Inukai were all done either by military officers or by men influenced by them. To the military is traceable the menace to constitutional government which hangs over Japan today. Two weeks before the national elections of February 20, predictions were freely made in Tokyo that the minseito or opposition party would win. Bets were laid at three to two on this basis. When the head of the minseito, ex-finance minister Inouye, was shot, the campaign collapsed and the party captured only 148 seats, in contrast to the 273 won only a year before. Inouye's young assassin carried a Japanese navy pistol.

Then Baron Dan, head of the powerful Mitsui financial empire, was shot, and his murderer also used a navy revolver. The police, spurred to unwonted activity by the death of this millionaire, learned that the pistols used by both murderers had been given them by Commander Fuji of the naval air service. Commander Fuji saved himself and perhaps many others embarrassment by permitting himself to be killed at Shanghai on February 5, when his plane was shot down as he was bombing Chapei. Although many obstacles were placed in the way of the investigators, evidence of a widespread plot was uncovered. Such men as Prince Tokugawa, president of the house of peers, Prince Saionji, last survivor of the elder statesmen, and Baron Shidehara, ex-foreign minister, were marked for death. Their sins were that that they are all internationalists and constitutionalists.

Watching the Young Officers

With this evidence in hand Girchi Matsumura, in the house of peers, openly accused one of the "nation's bulwarks" of backing the assassins. "That may mean either the army or the navy reservists," answered General Araki, minister of war. "I deplore this tendency, even if it has an ennobling core of patriotism, and I shall cause watch to be kept over young officers in the future." But it was young officers in uniform who shot their way into the presence of aged Premier Inukai and killed him in cold blood.

This series of assassinations may possibly mark the collapse of constitutional government in Japan. The underlying factors are therefore of tremendous significance to America. They can only be tabulated here:

1. These assassinations have their origin in the instinctive distrust which the military mind everywhere has for what our own army chief of staff has called "the febrile record of constitutional and dynastic theories." The military group in Japan have held a veto power in the cabinet, and have used their position to gain a constantly increasing budget for military expenditures. Their distrust of democracy has been an important factor in the failure of constitutional government to live up to the hopes the Japanese people had for it.

2. The assassins take as their excuse the corruption in government of which both major parties are guilty. Twelve thousand persons were arrested for violation of the election laws at the time of the general elections two years ago. High public officials have been convicted of graft while serving as members of the imperial diet, as governor-general of Korea, and in similar exalted positions. Public confidence in constitutional processes has thus been undermined.

3. The root of this corruption in government lies principally in the fact that the two major political parties are both controlled by capitalistic groups. The seiyukai party is dominated by the Mitsui interests. When the seiyukai came into power last December their prompt overturn of the gold standard is said to have made a cool hundred millions of profit for the Mitsui Gomei Kaisha. The minseito party is dominated by a rival group, known as the Mitsubishi interests. The Mitsubishi group is involved in foreign trade and so have found it to their advantage to favor a policy of economic rather than military expansion. The fact that both parties are under the control of predatory capitalism has weakened public morale. "It doesn't make much difference which party gets our vote," Japanese electors are saying. "They are alike and neither party represents the people."

4. Japanese big business, unable to continue its plundering in the face of the wrath of determined patriots, will probably be driven to accept some form of military fascism. Thus its greed has been selfdefeating.

5. The coming of fascism in such a way does not prove that the democratic principle is unworkable in modern government. It proves only that political democracy is impossible when linked with military and financial autocracy.

6. Fascism, which the noted Italian historian Ferrero has called "an obscure infantile disorder" of democracy, merely postpones the problems of self-government. The Japanese people must yet face and solve the enormous difficulties which lie between them and their destiny as the leaders of the free and self-government peoples of the far east.

New Chinese Railway Law Officially Promulgated

A new Law regulating the construction and operation of Railways, known as the Railway Law, has been officially promulgated by the National Government. The new Law divides all railways into three categories, namely, those operated by the State (Central Government); by local (provincial) governments; and by private individuals (corporations). Inter-Provincial railways shall, as a rule, be operated by the Central Government, while those built for the benefit of only one province or locality shall be operated by the local government concerned in accordance with the Regulations governing Public-operated Railways which are to be drawn up separately. Projected lines of either the Central or the Local Government may be constructed and operated by private individuals, in case the Central or Local government authorities concerned are unable to construct such lines. The construction and operation of railways by private individuals shall be governed by special regulations to be drafted separately.

Railways devoted to certain specific purposes (such, for example, as transportation of coal and other minerals) shall be constructed and operated in accordance with the Regulations governing Railways.

The Law also provides that State-operated Railways shall be controlled by the Ministry of Railways; while those operated by the local governments or private individuals shall be subject to supervision by the Ministry.

An express provision is embodied in the Law stipulating that "in so far as no impairment of national sovereignty and other national rights is involved, foreign capital may be borrowed for the construction of State railways, provided however that formal approval is given by the Legislative Yuan."

Regarding the operation of railways by private individuals, the Law lays down the general principle that except by special authorization from the National Government, no private individual may construct, extend, purchase or operate any railway situated within the limits of the Chinese territorial jurisdiction.

Railway Funds

Special safeguards for the financial security and independence of State as well as local government railways are also provided. It is stipulated that railway accounts shall be kept in strict accordance with the Accounting Law; that the earnings and profits of State Railways shall be used, in priority, for the liquidation of liabilities of such railways; that except in accordance with Law, no appropriation shall be made out of the revenues or earnings of State or local government railways; and finally, that proceeds of loans issued for the construction of railways must be devoted entirely to such purpose and shall not be appropriated for other uses.

The National Government may, in accordance with legally prescribed procedure, take over any private-owned railway which has been in operation for over thirty years, at a price to be agreed upon with the private company concerned. In the fixation of such a price, the main criterion shall be the market value of the railway properties to be appraised in a fair and reasonable way as well as the average profits of the railway during the three years immediately preceeding.

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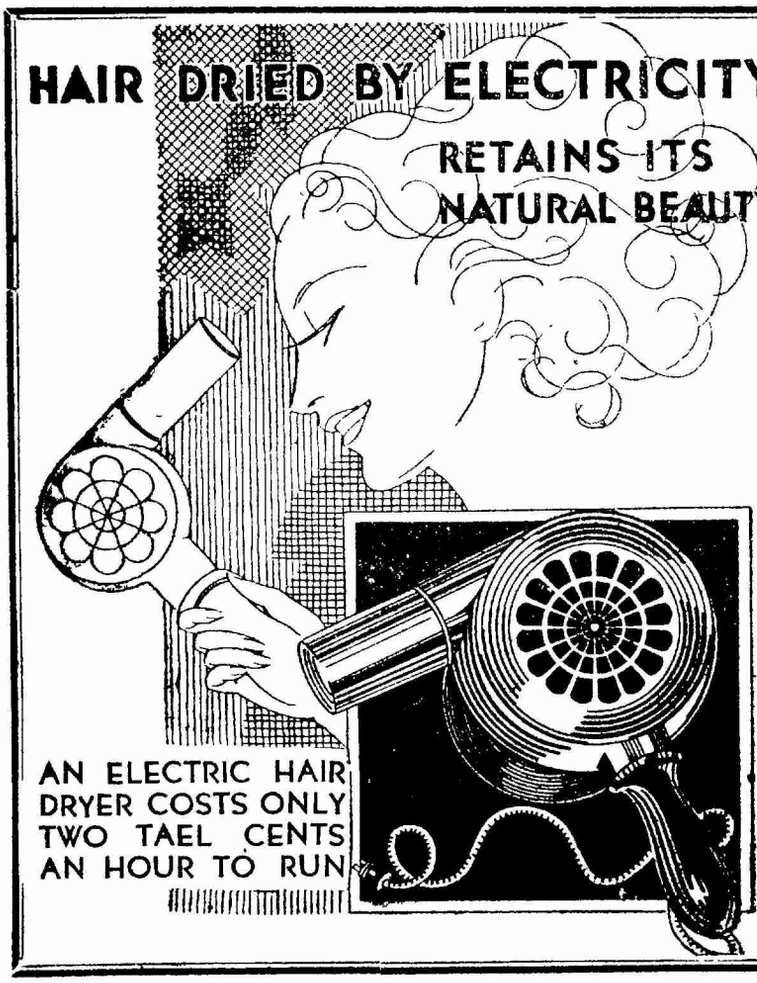

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Tobacco and Cigarettes in China

BY PAUL K. WHANG (汪仲芳)

NOTHING proves better than the quick change that has been made in the smoking habits of the Chinese people that the inhabitants of old Cathay are susceptible to new ideas. Nowadays even in the remote inland cities and secluded rural districts where the mode of life has not as yet been affected by the penetrating influence of western civilization, the people as through the power of magic have forsaken their favorite water-pipes and long bamboo pipes and contracted the habit of smoking cigarettes instead. This change in the way of smoking from cumbrous water-pipes to handy cigarettes is also noticeable among all classes of people, rich as well as poor; and possibly the convenience in smoking cigarettes without the necessity of carrying with the smoker any cumbrous paraphernalia appeals to human psychology, thereby making the universal change possible. The fact that cigarettes can be manufactured and sold at such low prices that even the poor workers and farmers are not debarred from enjoying such delicacies is another reason to account for their popularity among the Chinese people. Lately, the virus of smoking has even affected the female circle, and smoking among women in public places is no longer a shame but a fashion. Thus in a country with its huge population, the potentiality of the market for tobacco and cigarettes can be easily imagined.

China has had its own tobacco, but its leaves are not yet prepared in such a way as to be adaptable to the manufacture of cigarettes. American tobacco was not introduced into China until the seventeenth century. According to the Chinese Maritime Customs Decennial Report, "Tobacco is said to have been first brought into China from the Philippines during the early part of the seventeenth century and to have gradually spread over the country. As, however, the Chinese were not trained in bringing up the plants properly, the leaves produced were of an inferior quality. Before 1900 the production of tobacco leaves in Shantung was of insignificant quantity, and it is chiefly due to the energy and enterprise of the British-American Tobacco Company that the trade has attained its present state of prosperity." In 1913, the B. A. T. started a small factory at Fangtze, on the Shantung Railway and induced the native farmers to cultivate the American plant. The results proved so satisfactory that the Company in 1917 erected a huge factory with auxiliary buildings in the neighborhood of Fangtze. Lately the Nanyang Brothers and the Toa Companies have also started operation at Fangtze. Besides Shantung, Hupeh province is the next important producing area of tobacco, and its annual yield is estimated at about 300,000 piculs. It is said that the best tobacco comes from Kunchowshien, Hupeh; and when well prepared, it is yellowish-white in color and is known as "white tobacco."

The Popularity of Virginia Leaf

American tobacco produced in China is not of very high quality and for the manufacture of high grade cigarettes, the manufacturers have to either use the imported American leaves exclusively, or blend them with the native products. To the smokers, the Virginia leaves mean the tobacco of the best quality, and the manufacturers habitually advertise their products as made of Virginia leaves. The increase in the demand of cigarettes of fine quality has led to heavy importations of American tobacco. In 1929 and 1930, China imported tobacco to the value of HK.Tls. 26,799,199 and HK. Tls. 31,389,273 respectively,

The heavy importation of tobacco does not seem to have any affect upon the import of cigarettes. In such cosmopolitan cities as Shanghai and Tientsin where the foreigners have their business establishments, the cigarette stands and money exchange shops, in order to cater to different tastes of their customers, have, besides native products, imported cigarettes on sale. Gradually the Chinese have also acquired the habit of smoking imported cigarettes. The Customs figures reveal that in 1929 and 1930 China imported H. K. Tls. 20,745,618 and HK. Tls. 25,766,237 worth of cigarettes respectively.

The total importation of tobacco, cigarettes and cigars for the year of 1929 and 1930 is as follows:

	1929 HK. Tls.	1930 HK. Tls.
Tobacco	26,799,199	31,389,273
Cigarettes	20,745,619	25,766,237
Cigars	549,488	552,150
Total	48,094,306	57,707,660

So far as the monetary value is concerned, tobacco (including cigarettes and cigars) is one of the chief imported articles, and ranks only after cotton goods, raw cotton, rice, sugar, metals and minerals, and oils.

China, owing to its large population, naturally presents vast opportunities in many lines of industry, hence from the standpoint of workmen employed, the cigarette industry probably stands third in rank, being exceeded only by cotton and silk. The largest and most important cigarette factory is that of the British-American Tobacco Company, the next being Nanyang Brothers Co., a Chinese concern. It is apropos to say a few words regarding the growth of that industry in China. In 1890 Mustard & Co., an American concern, began to import American cigarettes into China. In 1891, this firm brought the first cigarette machine to China and manufactured the first cigarettes ever made in China. In 1902, the American and British manufacturers of cigarettes combined and organized the British-American Tobacco Company with a capital of about five million pounds, with principal offices in New York and London. Nanyang Brothers was organized in 1906 in Hongkong by the late Kan Chin Nan, a Cantonese merchant. Its original capital was one hundred thousand dollars but in 1919 it had been increased to fifteen million dollars. Due to business depression, this firm was suspended for a few months in 1930 and reopened after reorganization. Besides, there are scores of small factories; but because of the huge capital involved in the purchase of leaf and the advertising of the cigarettes, it is doubtful if more than five or six of these small companies have successfully established themselves.

After the May 30th Affair in 1925, as a result of the nation-wide movement of boycotting British goods, many small cigarette companies were brought into the field, and at one time it was reported that there were as many as forty new companies. Some of these companies were equipped with one or two machines while others simply bought cigarettes from other companies and put their own labels on the packages. During these hectic days, the B. A. T. suffered a great loss from the boycott and its "Ruby Queen," the most popular brand among the Chinese working people, had to change its Chinese name. But owing to the keen competition among the Chinese cigarette manufacturers themselves, the small companies, which could not spend much in advertising their products, found their products unsalable and were forced to the wall before the collapse of the boycott movement by the end of that eventful year.

Advertising the Key to Success

To recall that eventful year will inevitably remind me of the bitter experience I have had with the cigarette industry. In following the fashion of the time, my friend and I organized a cigarette factory with a capital of Tls. 50,000. We bought two new cigarette machines and also engaged several expert salesmen. My friend who had had much experience in cigarette-manufacturing while in the U. S. took care of the manufacturing side of the enterprise. Although our products were much better in quality than most of the popular brands in the market, they were unsalable. After six months' unsuccessful endeavor, we were compelled to sell out our interests. From this business failure, we have eventually learned several useful lessons, which may be helpful to those who have a mind to start a similar undertaking in future.

First of all, it is suicidal to start any cigarette factory with a small capital, because it can not afford to spend much in advertising. In selling cigarettes to the public, the manufacturers can not depend upon their quality alone, but must always and all the time display their products either in newspapers or on bill-boards to the public eye. The enormous amount of money spent by the B. A. T. in advertising its products has resulted in the monopolization of the China market, in which little room can be found by the small manufacturers to market their products. Moreover, whenever a new brand, not of the B. A. T., becomes a favorite of the public, the B. A. T. can easily undersell it by offering to the market a still newer brand, cheaper in price but better in quality. This monoply has become so formidable that even the foremost Chinese cigarette company has experienced difficulty in marketing its products.

Secondly, in order to insure the supply of a particular brand of tobacco leaves, the cigarette manufacturer must see to it that a tobacco factory is to be established in the tobacco-producing districts. The uniformity of quality is essential to maintaining the good name of products, the occasional change in the use of tobacco leaves often spelling disaster to a popular brand of cigarettes.

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Thirdly, in promoting any new brand of cigarettes, special pecuniary inducements must be offered to the operators of cigarettes stands and exchange shops, who can be utilized as a medium of advertisement by giving some suggestive remarks and recommendations to their customers. Their living words will often prove more effective than the dead words appearing in the advertisements.

At present there are about twenty Chinese-owned cigarette factories, nearly all of which are located in Shanghai. Besides the Nanyang Brothers, the manufacturers of such popular brands as "Golden Dragon," "Pearls" and may others, there is one other firm which deserves our attention. It is the Wah Cheng Tobacco Co., whose products, "My Dear" and "Golden Rat" have even become more popular among the Chinese people than the products of the Nanyang Brothers. The prices of these popular brands are, as a rule, between eighteen and twenty-five copper a package of cigarettes. Their cheapness in prices has placed them within the reach of the large majority of Chinese people. However, it must be noted that so far Chinese companies have not yet been successful in putting out cigarettes of the high class to compete with those made by foreign firms.

No discussion on the present subject would be complete without touching upon the system of tax. The Chinese government, as governments in other countries, is drawing an enormous revenue from the tobacco tax. Of the regulations governing the tobacco tax as promulgated by the Ministry of Finance on Feb. 23, 1929, Articles 3 and 4 should be noted.

"Art. 3—The usual import tax of 7.5 per cent and the tobaccco tax of 32.5 per cent shall both be levied on all kinds of imported cigars and cigarettes and other products manufactured from tobacco leaves, while tobacco products of domestic factories shall be subject only to 32.5 per cent tobacco tax based on the valuation of the Customs House. Tobacco products that have paid the tobacco tax shall be sold in various provinces and the foreign settlements of various treaty ports without being subject to other duties of any kind whatsoever."

"Art. 4—Special officers shall be appointed in various factories by the local Tobacco Tax Bureaus to supervise the use of revenue stamps. All cases of tobacco products to be sold within and outside the foreign settlements of various treaty ports must bear revenue stamps, otherwise they shall be considered as smuggled goods."

This tax is now collected virtually throughout the country except Shansi, where in 1930 the provincial authorities introduced a tobacco monopoly.

Shanghai, August 1, 1932.

Illegal Japanese Fishing on the China Coast

Reports having been received to the effect that Japanese fishing vessels have been poaching in Chinese waters along the Kiangsu-Chekiang coast, the Ministry of Industry has issued an order to the Kiangsu-Chekiang Fishery Administration Bureau instructing that a cruiser be despatched for patrol duties along the coast so as to keep the poachers out. In this connection it is learnt that a recent petition to the Ministry submitted by the Kiangsu Provincial Government reports that cases have been discovered of unscrupulous Chinese merchants conspiring with the Japanese fishing-boats to dispose of their hauls. At the mouth of the Woosung River these profiteers took over the catches made by the Japanese, and brought them in for sale at Shanghai. In order to curb such illegal activities, the Ministry is urged to take strong measures for their suppression.

Chunghsing Colliery Resumes Operation

Mining operations at the Chunghsing Colliery in Tsaochwang, southern Shantung, have been resumed. According to a telegram received at the Shantung Provincial Department of Industry from the district magistrate of Yih-hsien, 5,000 miners who have been on strike since the early part of the month returned unconditionally to their work July 25. Of the 37 miners who were arrested and detained at Yihhsien on the charge of being communist suspects, the majority of them have been released on bail. Two of the ring-leaders, Tien Hsiu-shan and Chen Ting-yun, however, are being sent to Tsinan for further examination.

Modern Costumes and the Display of "Panties"

(The following article which was signed, "A Lady Contributor" appeared in the June 28 issue of The China Critic, a Chinese owned and edited magazine.)

Certain maxims which one has always heard, one rarely if ever questions. One is that the Chinese women have always been, and are the most modest on earth. Well, are they? It may be a case of not being able to see yourself as others see you, but if some of the young ladies who go to tea dances at the Canidrome on Sunday afternoons could see themselves through brilliant shafts of sunlight as hundreds of spectators see them, they might, they just possibly might go home and put on a 'slip' or they just might, sew up twelve or fourteen inches of the slits in the sides of their skirts.

The costume worn by Chinese young women of fashion this summer is in one way, the least attractive one they have adopted since they began to wear a modified dress, unless one except the year during which dresses stopped above the knee, a monstrous fashion introduced by foreigners making most women look pigeon toed, knock kneed and silly. The Chinese dress this summer is long enough, it reaches to the ankle in most cases, the line is charming and enhances the slim flowing grace of the Chinese figure to distraction, but the entire effect of loveliness is damaged or even made rather comic, when one suddenly sees (in the slit which is slashed on both sides of the skirt, from hem to anywhere from two to eight inches above the knee) a pair of modest knickers or, for the more frivolous the lacy ruffles of a pair of up to the minute panties. One does not know where to look. Try as one will to look into the eyes (one may in modern China) or even at the top of the head or on the shoulder of the lovely girl one is talking to, one finds inevitably one's eyes stray again to that exposure of lingerie. One does not look because it is pretty to look at, for often it is not, but one looks because suddenly one becomes obsessed with the thought that perhaps the young lady does not know that six inches of her knickers are showing; and ought she to be told, ought some one to whisper to her to pull herself together, and try as one will, one cannot concentrate one's thoughts on anything else.

When she goes off to dance one is relieved for an instant, but the moment she glides off, one is renewed with consternation, for not only do her knickers show on one side but as she dances, they show on both sides! Moreover, she is wearing no underslip, or else so frail a one, that when she dances into the brilliant sunlight one sees for a moment a clear sharp outline, like an x-ray photograph, and then one is bothered again, as she sways into the shadow by the pink ribbon on a garter, and the irresistible desire to shake every girl on the floor for not knowing that the most unattractive line in a woman is the sight of just a leg showing from above the knee.

A girl in a bathing suit, if her figure is good, can be very beautiful. Almost any well proportioned or graceful human figure in the nude is beautiful. But nothing is so ungraceful or so lacking in allure as a woman's leg showing from above the knee. A skirt reaching several inches below the knee exposes a smart ankle and the turn of the calf is attractive. The full flow of the line in a bathing suit, is always engaging. But the shock of suddenly seeing a young woman's leg protruding several inches above her knee and the additional shock of seeing her underwear, is one that must have a sedative effect on the ardor of any young man.

Several years ago the young leaders of fashion wore long slim frocks, such as they now wear, with a slit on one side only and that beginning below the knee. It was a bewitching costume. Last winter a number of matrons (Madame Wellington Koo for one) wore the present slashed dress, but from underneath peeped demure ankle length trousers, of gold lace, or brightly embroidered silk, or of a contrasting color to the frock. This seems the ideal solution. It retains a part of one of the most seductive costumes that the women of any race have ever worn, it is not bulky, it permits no end of ingenuity in the invention of materials and color combinations to be used, and the costume is provocative and modest at the same time. That the high stiff uncomfortable collar remains without any noticeable modification, while so blissful a display of frankness occurs below the hips, is just another paradox in this world of flux and change.

No Danger of Flood in Yangtsze Valley

The National Flood Relief Commission issued a statement at Shanghai July 30 that high water on the Yangtsze had receded so rapidly that Government engineers are of the opinion that all danger is now past of a catastrophic flood like that experienced last year. The highest water registered this year on the Hankow guage was 44.2 feet on July 16 and since then the water has fallen rapidly.

While it is felt that the danger of a repetition of last year's flood is over, it is possible, but unlikely, for the river at Hankow still to rise during August to nearly the level of the Bund there. This statement is based on a study of the behaviour of the river during the past three decades subsequent to July 28 of the various years.

During almost all of these thirty years, the river water level at Hankow has receded subsequent to July 28 of each year, and in the few years that it has increased in height from a condition comparable to its present one, the increase has been only a matter of four to eight feet. The maximum increase of 8.4 feet that occurred in 1905 added to its present height (July 28) would give a possible elevation of 48.6 feet which is about bund level at Hankow.

Shih Ying, Mayor of Nanking, is reported to have submitted a petition to the Executive Yuan appealing for a special fund to undertake flood prevention work in the Capital. It is suggested that a sum of $500,000 be appropriated from the Dutch Boxer Indemnity Refund for the purpose.

Flood in Southern Liaoning

The Chuliu-ho (River) in southern Liaoning has overflowed its banks, completely inundating the districts of Chuliuho, Hsinmin and Liuhokow along the Peiping-Liaoning Railway, it is learnt at the Railway Administration. At Shanghaikwan, torrential rains had been falling for four days and the downpours had converted the area west of the city in to averitable lake, with the water five or six feet deep.

As a result of a severe rainstorm, railway traffic and communication services have been paralysed at different parts in North Manchuria. The station at Fenganchen on the Tsitsihar-Kushan Railway was inundated about two feet deep. Some 90 cars were washed away by the flood.

A terrific rain and thunderstorm which raged in western Honan end of last week destroyed a section of the tracks along the Lung-Hai Railway. Torrents pouring down from the neighboring hills as a result of the heavy downpour swept away the rails and damaged the bridges at Tehmen and Miencnih stations.

Hopei Province Threatened by Floods

Owing to the rise of the Grand Canal in southern Hopei and the weak dykes on both banks, several breaches have occurred on the waterway, according to a report of the Grand Canal River Affairs Bureau last week. At Hsichuangtze, about 100 feet of the dyke have collapsed on account of the strong current there, while another break of 50 feet has been made at Hsiaochaochiachuang due to the recent rains and thunderstorm. Emergency measures have already been taken by the local inhabitants.

Both the Yungting Ho and the Yellow River have also risen and are threatening to break loose. It is reported that the dykes along the Yungting Ho have broken down at five sections and that another 100 feet of dyke on the Yellow River have been washed away.

The rise of the various rivers in North China is causing no little alarm among the people. As a result of the incessant rainfall in the Peiping-Tientsin area, the Yungting Ho has risen over 10 feet. All low-lying areas in the outskirts of Tientsin are inundated.

The situation on the Grand Canal in southern Hopei is reported to be most precarious. The task of filling up breaches along the waterway having become increasingly difficult, and the authorities have decided, in case of an emergency, to open up all the waterlocks and furnish an outlet for the swollen waters.

According to a Tsinan despatch, the height of the Yellow River taken at Lokow, north of the Shantung provincial capital, is 29.6 meters, which is barely one meter below last year's record height. Dykes at four districts— Kweijen, Wanghuanghwang, Yenchia, Changchiatan– in the lower reaches have collapsed.

Torrential Rains Cause Flood in Canton

Torrential rains in Canton during the latter part of last week caused the collapse of more than 600 houses and the drowning of several hundred people. The principal cause of the city being flooded seems to be that the drain pipes were clogged and as a result the water rose to a height of five or six feet. The populace has petitioned the government to have the responsible negligent officials punished.

Japanese View With Alarm Concentration of Chinese Forces in Shanghai Area

The concentration of nearly 10,000 Chinese armed forces, in the guise of peace preservation corps and local militia, in Chapei, Kiangwan and other sectors around Shanghai is stated in Japanese press messages to be alarming the Japanese community. A Japanese observer versed in the local situation is expressing indignation at this 'mysterious' massing of armed force on the part of the Chinese, asserting that the concentration of such a huge number of armed men, be they called the peace preservation corps or other names, clearly shows the "absolute lack of sincerity on the part of the Chinese to observe the armistice agreement signed in May." In this connection, the observer, in pointing out the recurrence of anti-Japanese agitation, deplored the failure of effective control on the part of the Chinese authorities over the agitation despite their pledge, adding that permanent peace and friendship between the two countries can never be brought about unless China should awake to her sense of duty and responsibility.

Anti-Japanese Agitation Still Continues

Recent Japanese press telegrams state that there are growing indications that the anti-Japanese movement in Shanghai is gradually assuming "terroristic" aspects and the Japanese fear that these terroristic means now being employed by professional anti-Japanese agitators may in due time influence timid Chinese merchants into cancelling business relations with the Japanese merchants for fear of reprisals.

In the meanwhile, it is openly reported in Chinese newspapers that the professional agitators such as Chen Sung-yuan and Hu Feng-hsiang, who are notorious as organizers and leaders of the now defunct Anti-Japanese and National Salvation Association, are making efforts to create an organ similar in nature to the anti-Japanese society with a view to reviving the campaign.

In this connection, it is announced that the National Salvation Association is convening a national convention of various affiliated organs and societies aiming at similar objectives throughout the country in the latter part of August in order to discuss measures to make effective resistance to Japan.

Bombs Sent as Warnings to Dealers in Japanese Goods

Two bombs of the Mills type were sent to two separate Chinese cotton concerns July 27 as a warning against the purchase of Japanese goods. The first bomb was delivered at 11.30 a.m. to the Chinese Cotton Goods Association, in Shansi Road, in a well-packed can, by a messenger, while the second one was found on the third floor of the Cotton Goods Exchange, in Avenue Edward VII, shortly after 7 p.m., contained in a soap box, together with a message asking for the boycott of Japanese goods. Similar bombs were sent to coal dealers in the Louza district, in each instance being accompanied by threats against all who handled Japanese goods. A bomb thrown into the premises of a Chinese coal dealer in Sinza road on the morning of July 28 injured an assistant. The three large Chinese department stores in Nanking road, Wing On, Sincere and Sun Sun, have also received letters threatening to bomb their premises unless they stop selling Japanese goods.

Customs Surtax to Continue

The National Government has decided, in view of the mounting deficits resulting from the Japanese seizure of Customs and other revenues in Manchuria and from the increasingly acute repercussions of the world depression, that the ten per cent surtax of Customs revenue established on December 1 last year for flood relief purposes, and which was to have been reduced to five per cent, on August 1, 1932, shall be maintained at the rate of ten per cent, after August 1 for a period not exceeding one year. The 10 per cent surtax will thus consist of two parts: the 5 per cent flood relief surtax which will continue as heretofore contemplated until liquidations of the American wheat credit; and an additional surtax of 5 per cent, which will be in effect for not more than one year as a special surtax to assist in meeting the deficit. It is understood also that other measures to increase the revenue are likely to be announced in the next few days.

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Two New Shanghai Wharves to Relieve Whangpoo Congestion

The *China Press* in a recent issue gave details of two huge wharf-building projects, involving hundreds of thousands of taels and extending over a number of years' time for their construction, now being pushed at top speed toward completion in the Yangtszepoo district of Shanghai along the Whangpoo. These projects are the Chemulpo Road Wharf, now under construction by the Public Works Department of the Shanghai Municipal Council, and the Shanghai & Hongkew Wharf. The Chemulpo Road Wharf is a Municipal project. It will provide a frontage of 720 feet bounded on the east by Antung Road (formerly Chemulpo Road), while Chemulpo Road, north of Yangtszepoo Road, will be extended south to reach the central part of the wharf, which will accordingly be served by two 50-foot roads. A paved area for cargo handling will be provided along the whole length of the wharf for a width of 150 feet, while steps for passenger landing will be constructed at the end of Antung Road. The wharf front will consist of a vertical concrete wall designed to permit of dredging to a depth of nine feet below Conservancy Zero, though dredging will not be carried out to this depth until conditions justify it.

The Shanghai & Hongkew Wharf Co., Ltd., the agency of which is Jardine, Matheson & Co., Ltd., 27 the Bund, is now building a large wharf not far from the Chemulpo Wharf. Said company is also building a six storied godown on Broadway and a four storied godown at Pootung West.

In an interview concerning the Wharf recently, B.D.F. Beith, chairman of the Company, said: "All our wharves have been fully occupied and on occasions I regret we have had some difficulty in accommodating the vessels of our regular clients. At times our godowns have been filled to capacity and we have frequently had to decline to take outside steamers offered to us owing to lack of berthing space or congestion in the godowns. The remedy for this state of affairs is, as has been shown in past years, new wharves and machinery on the Shanghai side, which will speed up discharge, and with modern godowns, as we have about reached saturation point as regards speeding up of discharge by the old methods."

Work on both projects is being pushed forward but neither of the wharves will be ready for use within several years.

Under existing conditions a great deal of the cargo destined for Shanghai is unloaded at Pootung, on the opposite side of the river from Shanghai—a proceeding which involves considerable delay and expense. The new wharves, when completed, will provide facilities for many ships which are now compelled to unload at Pootung, to discharge their cargo in this side of the river.

Chinese Colonel Is Deported from Japan

Col. Tien Siang-pan, Chinese citizen and graduate of the Toyama Military Academy, was ordered to be deported from Japan July 28 by order of the Minister for Home Affairs, on a charge of conducting anti-Japanese propaganda in Japan. Col. Tien was the first Chinese to be deported from Japan since the beginning of the Sino-Japanese dispute. Investigation is said to have divulged that he tried to issue an anti-Japanese newspaper in Tokyo after the outbreak of the Manchuria trouble, also organising Chinese students in Japan.

Hankow Commences Collection of Business Tax

The Tax Bureau at Hankow has commenced the collection of a business tax on all merchants, including foreigners in all districts. The tax also applies to the merchants in the Japanese and French concessions. No matter what excuse for the non-payment of the tax is submitted, payment will nevertheless be rigorously enforced, the Tax Chief is reported to have announced. The tax varies from .004 to .015 per cent on the income.

Millions Still in Slavery Throughout the World

An estimate that there are between 4,000,000 and 6,000 000 slaves in the world at the present day was made in the course of a letter signed by the Archbishops of Canterbury and York and the leaders of the free churches in England issued last week on the occasion of the 99th anniversary of the death of the famous protagonist against slavery, Wilberforce.

80,000,000 People Being Educated in Soviet Schools

Speaking before the session of the Council for Cultural Development in Moscow July 28, M. Berdnikov, a representative of the State Planning Commission, stated that in the field of cultural work the requirements of the Five Year Plan have been considerably exceeded. Approximately 80,000,000 people are now receiving education in the schools and other educational institutions of the U. S. S. R. This is four times the figure for 1928. The number of persons receiving technical training has increased over ten times.

New Large Silk Weaving Plant for Caucasus

A new silk-twisting and silk-weaving plant is soon to be constructed in Kutaiss, Georgia, in the Caucasus. *Tass* says the new weaving plant will have 500 looms and the cost of construction will be 4,200,000 roubles. The plant will commence operations in 1934.

A further development in the Soviet silk industry is seen in the project for organizing state farms in the Caucasus for the breeding of silk-worms. Preparatory work for the autumnal planting of mulberry trees is now proceeding.

Soviets to Have World's Largest Electrical Machinery Factory

The Leningrad Institute for the projection of new industries has completed plans for the Urals Combinat, which is to produce electrical machinery and equipment. The plant, which will, according to *Tass* be the largest of its kind in the world, will turn out machinery to the value 650,000,000 roubles annually.

Oil at Lake Baikal

The long-held theory of the presence of oil in the Lake Baikal area has now been confirmed as the result of drilling operations. A few days ago a powerful gas jet shot up from a test shaft on the Baikal shore near the mouth of the Selenga River, from a depth of 162 meters. Drilling operations are being continued.

U.S.S.R. Taking 75 Percent of Germany's Machinery Exports

The weekly bulletin of the German Institute of Economics shows that in 1931 more than one-half of Germany's total machinery exports went to the U.S.S.R. In the first half of 1932 this proportion rose to 75 percent. 75 percent of the tractors exported from the United States in 1931 went to the U.S.S.R. But during the first six months of this year machinery exports from the United States to the U.S.S.R. declined sharply due to the attack on Soviets exports to the United States.

White Russians in Manchuria Ask to Have Their Own Army

The various Russian communities living along the eastern section of the Chinese Eastern Railway last week sent a petition to Henry Pu Yi, chief executive of the new State, General Honjo and other Japanese and Manchukuo officials asking for permission to organize a defence force of 10,000 strong, with Colonel Tzicheff, a White Russian who at one time served in the Czar's army, as officer in command. Their only desire, they explain, is to live and protect themselves against the bandits, who have been operating strongly east of Harbin and are becoming more venturesome day by day.

Commercial Press Resumes Operations

The Commercial Press reopened its salesrooms in Honan road, Shanghai, August 1. The salesrooms were closed simultaneously with the destruction of the Press' fine printing establishment in Paoshan road by the Japanese during the incursion into Chapei last January The editorial department and the Far Eastern Library have also been reopened. For the present the printing is being done in the Peiping Branch of the company, but some of the old printers here have been notified that there are prospects of their being engaged in the near future in a printing establishment to be opened on a small scale in Shanghai.

Japanese Traders Support Scheme for Removal of Customs Barriers

Twelve traders' bodies in Osaka have petitioned the Japanese Foreign Trade Bureau to join the Anglo-American movement for convening an international conference to remove customs barriers as a means of breaking business stagnation throughout the world.

Japanese Take Revenge for "Defection from Manchukuo"

Details of a massacre by the Japanese military of members of the Public Safety Bureau at Shenyang (Mukden) for alleged "defection from Manchukuo" have been received in Peiping. According to the reports, Chang Feng-chi, Director of the Shenyang Public Safety Bureau, was arrested last month by the Japanese military for having allegedly plotted to "revolt against the Manchukuo government." A *Kuo Min* message says that Chang was subsequently painted with varnish all over his naked body and burned alive. He is also reported to have been killed in cold blood, his tongue and ears having been sliced off before being put to death. A total of over thirty members of the Bureau were put to death for alleged complicity in the plots.

Japanese Kill Chinese Postmaster in Kirin Province

An official report of the Chinese Postal Administration made public in Nanking July 30 by the Ministry of Communications has revealed the details of the slaying of Yang Hwa-tung, postmaster in Nemou, Kirin, by Japanese soldiers. On July 19 while Mr. Yang was at work in his office a number of Japanese soldiers suddenly forced entry and demanded that he hand over the report he was writing. Upon his refusal they inflicted severe wounds upon his head and soldiers then carried him off to Tunhwa where he was shot with another Chinese.

In defense of their action the Japanese consular authorities in Kirin announced that the report which Mr. Yang was writing was addressed to Wang Teh-lin, commander of the Chinese volunteer troops, but reports received by the postal administration from more reliable sources have shown this version to be untrue. Mr. Yung was actually writing a report to the head office of the postal district of Kihei (Kirin and Heilungkiang) on conditions prevailing in his district.

Belated News of a "Horrible Plot"

A Japanese press message from Mukden July 29 gave details of a "horrible plot" to overthrow Manchukuo. It is related that simultaneously with an attack on the walled city of Mukden by Marshal Chang Hsueh-liang, with all his available force, during August, Chang Feng-chi, Chief of the Bureau of Shengyanghsien (Prefecture) Police Force was to rise in a simultaneous revolt against Manchukuo, with 8,000 armed men, including the police force under him and bandit-troops, the latter being under the influence of Huang Hsien-sheng, General-in-Command of Chinese volunteers in Manchuria. The aim of these plotters, it was stated was to assassinate General Honjo, Commander-in-Chief, and other high officers, of the Japanese Kwantung Army, as well as Tsang Shih-yi and other important officials of Manchukuo Government. However, all this was stated to have happened middle of last May, the culprits having been discovered, arrested—and so on.

Federal Cavalry Drives Bonus Seekers from Washington

The veteran bonus "army" which invaded Washington more than a month ago and which defied orders of the Washington police to evacuate July 29 was eventually driven from the Capital by Federal Cavalry. One person was killed and 60 hurt, several seriously, during the ensuing disorders. The Federal forces used drawn sabers and tear gas on the veterans. Many of the veterans have gone to Johnstown, Penna., where the mayor is promising them protection. The American Red Cross is also assisting the veterans.

China Protests Against Japan's Special Envoy to Manchukuo

Acting under instructions from the Foreign Department of the Nanking Government, Dr. V. K. Wellington Koo, Chinese Assessor to the League Commission, has invited the attention of Lord Lytton to the projected despatch by the Japanese Government of a special envoy to Manchukuo. The Chinese assessor asserted that the despatch of such an envoy practically means the recognition of Manchukuo by Japan and it may also be taken as a Japanese preparatory action for the amalgamation of the Three Eastern Provinces.

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The Proposed Japanese Invasion Into Jehol

BY WALTER K. S. CHANG (張 嘯 德)

MINOR clashes have occurred between the Chinese and Japanese forces, and serious fighting is still unavoidable on the Jehol front despite the alleged attempt at a settlement by the spokesmen of Generals Honjo and Tang Yu-lin. At the time of writing, the inhabitants of Chaoyang have already had the good fortune of being blessed with showers of Japanese aircraft bombs, a blessing which is only too well-known to the residents at Chapei who had, during the last Shanghai warfare, enough of it and to spare.

Probably it will not be much out of place to recall here that the Japanese soldiers, on the eve of their evacuation in the early part of May last, said to the natives of Kiating and Liuho, with a smile at once triumphant and hideous:

"Let us, friends, meet you again in August when we shall come over to your country once more."

If the Japanese are not likely to keep the first part of their promise in the southeast, they are evidently carrying ou the second in the northeast.

The False Pretext

But after all what offences have we given that justify our fair neighbor to start this invasion, the third of its kind? Well, offence or no offence, the Nipponese are the cleverest people in the whole universe, and their fertile and imaginative minds have not, on the present occasion, failed to invent as bloody an incident and as sound an excuse as in the cases of Manchuria and Shanghai.

Before the notorious Sept. 18, the red-letter day of Japan, the black-letter day of China and the last day of Manchuria, there was sounded to every corner of the world the case of Captain Nakamura, who was alleged by the Japanese, but never confirmed by any other nationalities, to have been murdered by Chinese troops while he was on a mission to certain Mongol princes, carrying with him a large quantity of heroin for which most, if not all of the princes have a notorious weakness. Previous to the Shanghai warfare,—an adventure, which resulted in the loss of more one hundred and fifty million dollars' worth of Chinese property and thousands of Chinese lives, yet not without giving the Japanese a bitter lesson,—Japanese ronins were busily engaged in creating, and Japanese propagandists in manipulating, maximumizing and inventing disturbances, among which were the Chinese attacks on Japanese monks and the Japanese burning down of the San Yu Towel Factory. And now there is the Ishimoto case!

According to a *Rengo* dispatch from Mukden, Japanese semi-official news agency, Gonsiro Ishimoto, a liaison officer of the Kwantung army and brother of Kantaro Ishimoto, former member of the Diet and Mayor of Dairen, was arrested in a train on July 17 when he was traveling to Chaoyang from Peipio, Jehol, and later murdered by the volunteer army belonging to General Tang Yu-lin. The Japanese military authorities, it continues, are attaching serious significance to the present incident which is being regarded as a second Nakamura affair, and are believed to have decided on a large scale expedition to Jehol.

And so the Japanese, ever prompt in their action though not always good to their word, set the so-called expedition on foot before the world had time to enlighten itself on such a wonderful bit of news!

The Underlying Motives

In spite of their crafty camouflage and clever excuses, however, their real propelling motives are too obvious not to be seen. Although rather negligible in point of natural resources, Jehol serves nevertheless as the connecting link between China proper and Inner Mongolia and is the immediate neighbor of Mukden. The Japanese militarists kept, in the early stage of the Manchurian adventure, a covetous eye on the province and would have before now included it in the picture had not General Tang positively expressed his determination that he would neither encourage rebellion nor suffer interference. This quietened down their enthusiasm for a time. But their peace was soon begun to be disturbed by the increasing activity and stubborness of the volunteer armies whose ammunitions and support were believed to have come largely from the ousted General, Chang Hsueh-liang. It was even alleged that part of the volunteers had sallied forth from, and in retreat taken shelter in, the mountainous fronts of Jehol. Though the Japanese are too proud and reluctant to acknowledge, the loss they have sustained in that quarter is, in actual fact, heavy enough. Up to the very present, the Nipponese military authorities in Manchuria are still sitting on thorns. In order, therefore, to cut off the supplies and retreat of the volunteers on the one hand, and to pave the way for further aggression in north China on the other, they consider it, both necessary and imperative, to annex the province in the shortest possible period.

What Are We Going To Do?

What, then, are we going to do in face of this impending foreign aggression? Shall we again adopt the non-resistance policy in Manchuria and sit serenely enough when our land, and with it our national prestige, is robbed from our very hands? Or shall we again fight as we fought before in Shanghai? To answer this question, we have only to ask another, "Are we going to be a people with a country or to be a people without it?" If we wish to be the one and not the other, we must protect it. And to protect our country, we must not hesitate to shed our last blood, should it be necessary.

It is, therefore, as clear as broad daylight that there is, on the present occasion, no other way left for us but to fight, to fight it out and to fight it all by ourselves. To expect either justice or arbitration from the League of Nations is just as futile as to look for fishes in a tree, while to rely on the help of friendly powers without first being able to stand on our own legs is not only doubtful but unmanly.

But how are we going to fight it out? Shall our government take the whole thing on its own hands? Or shall it content itself, as before, with playing the part of mere lookers-on, and let Gen. Chang fight out his own fate? The situation does not permit of any hesitation. It must decide itself at once and act without the least delay.

In my opinion, not only should our government order Gen. Chang to put up every necessary resistance, but it should also dispatch such reenforcements as shall best be able to render effective the defence both in Jehol and at Shanghaikwan, which latter is likely to be invaded at any moment. Gen. Chang, deadened to the sense of honor and patriotism as he is, will, I think, most probably make a desperate effort this time, for he cannot but be aware of the dreadful fact that his last stronghold is being threatened and his position hangs in the balance. On the other hand, the people, if they are unable to take direct part in fighting, must do everything in their power to contribute to the cause of their motherland; while our politicians and militarists, if they still have any drop of human blood left in their veins, must at once sink their personal differences, drown their wild ambitions, and put up a united front against our mortal enemy.

Let us, then, plunge boldly into the war, since a war we must have. While defeat will not make us any the worse, victory will mean the restoration of lost land and the bringing into reason of the mad and blood-thirsty lion of the Far East.

Why not fight? Why not fight?

Haimen, Chekiang, July 26th, 1932.

The Sino-Japanese Dispute Is Discussed at Geneva

The Sino-Japanese dispute was discussed at Geneva July 1, when a meeting of the Special Assembly agreed to prolong indefinitely the period of delay provided for in article 15 of the Covenant, until the report of the Lytton Committee has arrived in Geneva. The Chinese and Japanese delegates approved.

The head of the Chinese delegation, Dr. Yen, however, emphasized the view that the six months' delay provided in the Covenant is already a long one, and that the prolongation means that China must suffer for a further five months. Dr. Yen insisted that from the political standpoint any new delay was grave. Japan, he argued, was, and is disregarding all her obligations to the League. Every day in Manchuria, he said, men and women and children were dying and marking the failure of the League.

Communist Suppression in Honan

(From the Review's Correspondent)

Kaifeng, Honan, July 29.

General Liu Chih, chairman of the province, has gone to Southern Honan to direct the government troops in suppressing the Communists. General Chang Fang, commandant of the 20th route army, and General Liu Yao-yang, commandant of the Paoan Army, accompanied him. Before his departure, General Liu said to the pressmen that during his absence Li Ching-tsai, civil commissioner of the province, had been appointed in charge of all affairs of the Kaifeng Pacification Headquarters, and that he might not be able to return to the city in the near future.

Regarding the resignation of Chang Fei-jan, reconstruction commissioner of the province, General Liu stated that the Executive Yuan had accepted Mr. Chang's resignation, and Chang Ching-yu, secretary to General Chiang Kai-shek's chief head quarters, had been appointed in his place.

General Liu Chih's temporary chief headquarters now established at Minkang, north of Sinyang, will soon be moved to Loshan, on the Honan-Hupeh border, as soon as General Liu reaches there.

On July 27 afternoon, a local party, political and military conference was held at which the following decisions were adopted: (1) to establish a Party, and Political, branch office in Southern Honan, and (2) to decide on road building schemes in the Special District of Southern Honan.

Unemployment Conditions

What with the loss of the Three Eastern Provinces to the Japanese, and what with the occupation of some parts in the interior of the country by the Reds, a tremendous number of the Government officials and educated people have lost their jobs. All the hotels here are crowded with job-hunters. The number of college students, coming here from various parts of the country and applying for teaching positions in middle schools, is more than 200. An examination for the post of office boy (tsai tung) in the local Post Office was held on July 27, when no less than 82 junior middle school and primary school boys applied.

Cholera in the Province

In 37 hsiens or districts of the province, it has been reported that cholera has broken out. Since the outbreak of cholera at Loyang, temporary capital of China, the number of the deaths there is estimated at more than 1,000. All coffins in the city have been sold out. More than a hundred deaths have occurred daily. With a view to escaping from infection, most of the wealthy people have moved away. On July 26, a large quantity of plague medicines, ordered by the Plague Emergency Bureau, was brought to Loyang from Peiping by airplane.

On July 18, the south bound express train of the Ping-han line, No. 1., was plundered by a small gang of bandits at a place south of Changteh in North Honan region. At Changteh station, some 23 passengers got on the train, of whom, about 18 were bandits. They began to loot, taking away all the baggages and the valuables of the passengers, when the train left the station. They jumped down, and fired into the air, running away, when the train reached the vicinity of Kihsien.

88 Alleged Communists Taken to Nanking

Eighty-eight alleged communists, of whom two are young women, were escorted to Nanking from Shanghai July 30. These alleged "Reds" were arrested by the Greater Shanghai Bureau of Public Safety police on July 17 as the result of a raid upon the Kung Ho Theatre, in Robison Road, Shanghai, where the prisoners were holding a meeting. Incriminating documents were seized in the raid tending to show that they were involved in various Red plots. The case is now being investigated by the military court under the Ministry of War.

Peiping Crowded with Refugees

Peiping, which has suffered both in trade and population since the removal of the national capital to Nanking in 1928, is now in danger of being overpopulated. With the large influx of people from Manchuria, the population there, as compared with the days before the Shenyang Incident on Sept 18 last year, has increased by 120,000. There are no empty houses in the city and all hotels are now crowded by the arrival of the postal employees from Manchuria.

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61-405

George Bronson Rea---Advisor to Manchukuo

George Bronson Rea, editor of the *Far Eastern Review*, an old established engineering journal which during the past decade or so has been devoted to the espousing of the Japanese cause, was end of last week appointed by the Manchukuo government as an advisor. He is the first Westerner to receive such a position, the other advisors all being Japanese. Mr. Rea will, it is understood, be stationed at Changchun, the so-called capital of the new State, although recent telegrams have intimated that he will accompany the Japanese delegation to Geneva. Both Mr. Rea and his journal have had an interesting career. He is a mechanical engineer by profession, but has engaged in journalism as a side lime. He was a special correspondent of the *New York Herald* during the Spanish-American war in Cuba, and later proceeded to the Philippines, where he established his journal mainly in the interests of Americans. Later he brought over his journal to Shanghai and for many years it espoused the Chinese cause. During that period he had as editor, W. H. Donald, a British subject, who is now advisor to Marshal Chang Hsueh-liang. When, however, about fitfeen years ago the *Far Eastern Review*, suddenly changed its policy and espoused the Japanese cause, Mr. Donald immediately and publicly dissociated himself from Mr. Rea's paper. During the intervening years Mr. Rea has been an efficient propagandist for the Japanese and his recent appointment has been in the nature of additional reward for his efforts. Mr. Rea's arguments on behalf of the Japanese have evoked at times strenuous criticism from those whose interests he has disparaged. Thus recently C. L. Boynton of the National Christian Council in a recent letter to the *Shanghai Evening Post*, pointed out that Mr. Rea's figures in articles which he had written which tried to show that American "uplift" work in China far outshadows business interests both in the amount of money at stake and in numbers engaged, are all wrong, not only because the figures are out of date but are "twisted" to suit his purpose. "Observer," writing to the *China Press*, reprints comments made by Mr. Rea on Putnam Weale, in October, 1930, at the time the latter was assassinated, following his taking up a position with the Yen Hsi-shan "government." At that time Mr. Rea said among other things: "In identifying himself with the rebels and accepting a position almost equivalent to that of a finance minister, Mr. Simpson violated his neutrality as a British subject and surrendered the right to appeal to his government for protection." It would appear that Mr. Rea could take this dictum from his own pen very much to himself. The only difference is that Mr. Rea is an American citizen. He was born in Brooklyn, N. Y., August 28, 1870.

Salvation at Last

The following humorous reference to Mr. Rea and his new position as advisor to the Japanese-supported puppet state of Manchukuo appeared in the *Peiping Chronicle* on July 29.

> George Bronson Rea has ever since his conversion pressed toward the mark for the prize of his high calling, and has at last attained it. He has been appointed an adviser to "Manchukuo." We remember his conversion very well. In his unregenerate days he believed that Japan could do nothing right. About fourteen years ago he found salvation. The new joy of his exuberant existence manifested itself on every page of The *Far Eastern Review*. He reminded us very much of one of the men mentioned in William James's "Varieties of Religious Experience" a man who had experienced conversion, the "expulsive force of a new affection." That man, we are told, "could not help praising the Lord. As I go along the street, I lift up one foot and it seems to say 'Glory'; and I lift up the other and it seems to say, 'Amen'; and so they keep up like that all the time I am walking." So it was with Mr. George Bronson Rea when he found salvation. As he went along the street (issued his monthly paper, that is to say) he "could not help praising the Lord," that is to say, Japan. He lifted up, metaphorically, one foot and it said "Banzai"; and the other and it said "Nippon." In that day of salvation he found that he could not serve God and Mammon; but he could serve Rea and Nippon, and that was the next best thing. And now, after fourteen years of service, enough for both Leah and Rachel, he verily has his reward: the only Western adviser to "Manchukuo." R.I.P.

How the Japanese Persecute Chinese Intellectuals

The Japanese invasion of Manchuria has caused acute suffering to all classes of people, but it is the intellectual class that has been particularly hard hit, not only because it is they who realize to the fullest the humiliation, but also because the Japanese, sensing that it is they who are their worst enemies, have particularly singled them out for persecution and oppression. Some details of the situation are revealed by Shen Hsue-chuan, a former resident of Manchuria but now connected with the Northeastern University at Peiping, in a recent communication to *The Review*. With the exception of a handful of puppets who cringe under the Japanese invasion the great majority of the intellectual class in Manchuria have fled to Peiping and Tientsin, where they still enjoy freedom of speech—a boon which is denied them under existing conditions in Manchuria. Woe unto the Chinese student that expresses a leaning for the Kuomintang or expresses patriotic sentiments favoring the National Government! Pupils suspected of Kuomintang leanings are carefully watched by Japanese spies. The spy will suddenly ask the Chinese student: "Have you forgotten China?," whereupon, if the student wants to avoid trouble he had better answer, "Yes, I have forgotten China." He will then be asked whether he favors Manchukuo, and if he answers that he does he may escape, but if he answers that he does not, he may expect misfortune to befall him.

In this connection the following incident is related. In Mukden a pupil on his way back from school came across a Japanese. The Japanese then questioned him: "To what nationality do you belong?" The boy innocently answered, "I am a Chinese." The boy's answer provoked the Japanese who scolded him rudely in his mother tongue "Bar-ga-ya-lu" (foolish fellow) and then gave him a heavy blow. The boy fell down, stunned, lying on his back. But, as soon as he revived the Japanese caught him by his ear and told him, "Hereafter, if some one asks your nationality, you must say you are 'Manchukuojin' and don't say you are a Chinese. Otherwise, you are sure to lose your life." The Japanese further pressed the boy with the words, "Have you memorized what I have told you? Can you repeat what I have told you?" The boy with tears in eyes answered affirmatively. When the Japanese was gone the boy cried and ran home and related the whole incident to his mother. His mother, on hearing the news, advised his child hereafter to do as the Japanese told him—for the time being.

Those of the intellectual class who do not bow to the Japanese are persecuted in many ways and frequently imprisoned. The insults to the Chinese female students are frequently so callous as to cause them to commit suicide. Searches on railway trains are particularly directed against the intellectual classes and frequently the latter wear the clothes of the merchant class in order to avoid persecution, but generally this is of no avail as they are betrayed by their hands, speech and general bearing.

The schools in Manchuria have reopened under Japanese tutelage, but the attendance is small, not only because of the reluctance of the Chinese to attend Japanese-inspired schools but also due to the commercial depression. The text-books are naturally all supervised by the Japanese. But despite all the oppression it is the intellectual class, as Mr Shen, points out, that will eventually lead China from under the Japanese yoke. It is they who will point the way to the others; they will never give up until Manchuria is again brought into the Chinese fold.

Score of Convicts Escape from Tientsin Military Prison

More than 20 convicts are at large in North China as a result of a jail-break successfully carried out by occupants of the military prison at Tientsin, during in the night of July 29. Suddenly emerging from their cells at 9.40 p.m., the prisoners killed the chief warder, wounded several of the guards and, seizing hold of some rifles and revolvers, made their escape from the prison. The police and military authorities immediately threw a cordon around the area, but in view of the darkness at least 20 of the jail-breakers made good their escape.

Thirteen casualties occurred as a result of the incident. Besides the chief warder, six guards were killed outright while two guards and a member of the peace preservation corps were seriously injured. One convict was killed and another wounded. Stray shots also hit some passers-by.

"Bandits" Raid S.M.R.---Japanese Send Warships to Yingkow

So-called "bandits" (Volunteers) made simultaneous raids on various points of the South Manchuria Railway August 2, the principal points attacked being Yingkow (Newchwang) and Tashihkiao. As a result a Japanese cruiser accompanied by destroyers was rushed to Yingkow and bluejackets were landed. Severe street fighting ensued between the local troops and the Japanese and the casualties are stated to have been heavy. The Japanese Consul in Yingkow fled to the cruiser.

Haicheng, a town north-east of Yingkow, was also attacked twice during the night of August 2 and the Japanese residents are evacuating the place. The Kuantung Garrison headquarters has been requested to send reinforcements.

Sukiatun, about 30 miles from Mukden, was also attacked. Large forces of Japanese infantry and cavalry were rushed from Mukden to Sukiatun by the Japanese military to block the advance of the volunteers. Chinese volunteers are also reported to have recruited large numbers of workers in the coal mines during their march on Sukiatun.

Volunteers Attack Liaoyang

Liaoyang, south of Shenyang (Mukden), on the so-called Mukden-Shanhaikwan Railway, was attacked on the night of July 31 by about 400 Volunteers. After a four-hour engagement during which the Japanese artillery units returned the gunfire of the Chinese, Japanese reinforcements from Shenyang arrived on the scene. Fighting then became more fierce, lasting until dawn when the Volunteers withdrew to their original posts.

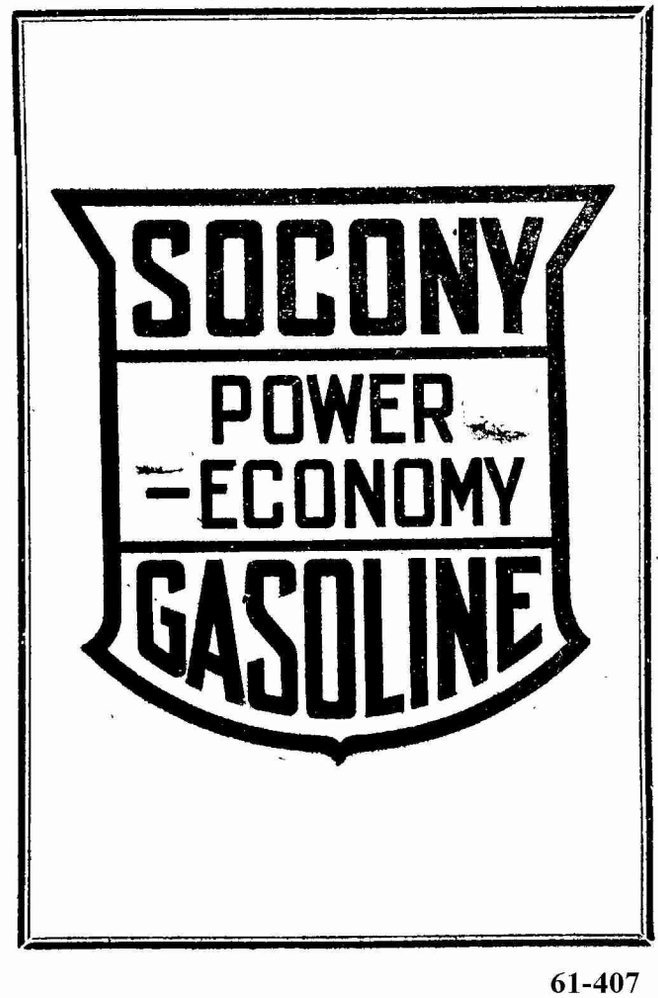
Japanese Report General Ma Chan-san as Dead Once More---Nanking Denies

The Japanese press messages, which have on several occasions during the past few months reported General Ma Chan-san as having been killed, but always erroneously, now again insist more firmly than ever that General Ma, the hero of the Nonni river bridge and the outstanding opponent of the Manchukuo government, is actually dead. An official report is said to have been received by the Kwantung Garrison headquarters in Mukden July 31 that his body had been found following severe fighting at Anhuchen between July 27 and 29. General Ma was stated to have been dressed in coolie's clothes when found, having met his death at the hands of the Japanese when trying to escape with about a hundred of his followers. The *United Press*, which religiously gives publicity to these Japanese reports, apparently has accepted General Ma's death as a fact, but a *Reuter* telegram from Peiping says the report is generally not believed as communications are still maintained with Chinese volunteers operating in Manchuria and no confirmation of his death has been received. Chinese officials dismiss the report as a piece of propaganda, pointing out that Japanese sources recently reported General Ma dead but he was afterwards found to be very much alive.

The alleged death of General Ma is officially denied at Nanking. In the meantime the Japanese are bringing the dead body which was supposed to be that of General Ma to Harbin, in order that the matter of identification may be definitely established.

Mrs. Sun Yat-sen Comes to Defense of Harold R. Isaacs

The campaign which has been launched by Harold R. Isaacs, an American citizen, in a weekly newspaper of which he is the editor, known as *The China Forum*, has developed a number of important angles. For one thing, the American Consul General, E. S. Cunningham, has transmitted to him the decision of the U. S. State Department to withhold extraterritorial protection in case he does not modify the policy of his paper, which has been attacking the Kuomintang organization in general most savagely, and in certain instances picking out individuals—among them, Mayor Wu Te-chen of Greater Shanghai, who has protested to the American authorities. Prominent among those who have come to the defense of Mr. Isaacs is Mrs. Sun Yat-sen, sister-in-law of General Chiang Kai-shek.



61-407

Men and Events

Miss Soumay Cheng, former president of the Shanghai District Court, has returned to Shanghai, after an extended visit to Paris and other European cities.

Vice Admiral Nomura, who lost an eye in the Hongkew bombing incident July 29, had an artificial eye set in place in the Naval Hospital at Tokyo last week.

The Asiatic Petroleum Co. is distribruting a handsomely illustrated brochure entitled "Then and Now." It is a liberal education in the mechanical equipment of motor cars.

The death occurred in Berkeley, Calif., July 26 of Dr. Charles Gayley, professor emeritus of languages and literature of the University of California. Dr. Gayley was born in Shanghai.

On July 30 three armed bandits made their appearance in the vicinity of Wangchinghsien (Chientao district) and carried away a German Father from a Catholic Church there as a hostage.

Brush Marks, which is the miniature house organ of the American Mail Line, in its current issue contains a somewhat humorous note entitled "Shanghai Beggars Oust their Kings."

Dr. W. B. Smith, professor of economics at Williams College, who has been traveling in the Far East for sometime, departed this week from Shanghai on his way back to the United States.

The Executive Yuan July 26 accepted the resignation of Chang Shou-yung, Political Vice-Minister of Finance and appointed Tsou Lin, Chief of the Salt Bureau, the new Political Vice Minister.

The Municipal Gazette (the official organ of the Shanghai Municipal Council) in its issue of July 30 prints a complete register of medical practitioners, dentists and veterinary surgeons.

The American University Club of Shanghai July 8 elected the following officers: Carl Neprud, president; Z. L. Chang, vice president; Milton C. Lee, secretary, and R. B. Nichols, treasurer.

Dr. Hu Shih, professor of philosophy at Peking University, has been elected a member of the Prussian Academy of Science. This is the first time that this honor has been conferred upon a Chinese.

Figures published in Moscow show that 3,806 passengers were carried between Europe and the Far East on the Trans-Siberian Railway during 1931. The principal patrons of the line were Japanese and Germans.

Arthur Sopher and Miss Milly Menchikoff and Theodore Sopher and Miss L. Beestrova were married on July 29 at the French Consulate General, Shanghai. M. Jacques Meyrier, the consul-general, performed the ceremony.

A funeral service for Weillington Lee, a well-known Korean resident of Shanghai took place July 29. Deceased was associated with the China General Omnibus Co., Ltd., and at one time was Ambassador to Great Britain from Korea.

The Communist Anti-War Day, August 1, passed off quietly in Shanghai, no disturbance having been reported. Strictest vigilance was observed by the police authorities in Chinese territory, the French Concession and International Settlement.

Dr. H. H. Kung, special industrial envoy of the Republic of China, who had planned to sail for the United States on July 26, but postponed his departure owing to the Jehol situation, was confined to his home during the week with an attack of influenza.

The Wisconsin Telephone Company has been ordered by the State Public Servce Commission to reduce its rates by 12½ per cent, abandoning the theory of reasonable return on capital, and instead stressing that under depressed conditions the value of the service to the public is less.

Frazier Hunt, special correspondent for Hearst's *Cosmopolitan* magazine and *Universal Service*, departed from Shanghai last week for Manila, and following a visit there will proceed home by way of India and Europe. Mr Hunt was accompanied by Mrs. Hunt and their son, Robert.

P. S. Fedoroff, who describes himself as Assistant of Ataman and Secretary of the United Cossacks Association, in a recent letter to the Shanghai daily newspapers, stated with reference to an announcement made by G. K. Bologoff, chairman of the Union of Russian Cossacks, that the Semirechensky Cossacks, the Don, Kuban, Terek and Ural Cossacks and the Korniliff's Stanitza of the Siberian Cossacks, refuse to recognize the "Union."

Arthur R. Ringwalt, American vice-consul stationed at Shanghai is departing shortly for Peiping where he will join the student interpreter class attached to the American Legation. Mr. Ringwalt has been stationed at Shanghai for the past three years and recently returned from home leave.

Encouraging reports have been received of the next rice crop in Anhwei province, indicating that a plentiful harvest in southern Anhwei is assured. Rice is now selling at $7.60 per picul at Wuhu, and it is expected that there will be much activity in the Wuhu rice market in the autumn.

Mrs. Herbert Y. McMullen of New York, Chairman of the International Relations Committee of the General Federation of Women's Clubs, addressed the American Women's Club in Shanghai, August 2, on the subject "Economic and Social Aspects of Current International Problems."

Theodore Roosevelt Jr., and Cornelius Roosevelt, two sons of Colonel Theodore Roosevelt, the Governor-General of the Philippines, passed through Shanghai beginning of the week enroute to Manila. They came here from Peiping where they were the guests of Dr. Roy Chapman Andrews, the famous explorer.

V. Rover, correspondent for the Soviet *Tass News Agency*, stationed in Shanghai, who went to Vladivostok on a business trip sometime ago, has gone to Moscow and will not return to Shanghai for several weeks. Mr. Chernov, the *Tass* correspondent at Nanking, is now in charge of the Shanghai office.

Gardner L. Harding, former secretary of the Navy League of the United States, is now serving as acting secretary of the National Foreign Trade Council, India House, N. Y., since the death of O. K. Davis which occurred recently. Mr. Harding has made several trips to China in recent years in connection with the work of the Navy League.

The North-China Daily News in a recent editorial called attention to the large number of British residents in Shanghai who are without employment, and urged upon the British community the duty of making some provision for them. The British journal referred to them as being mostly "respectable," meaning thereby, presumably, that they are deserving.

Miss A-tine Wang, eldest daughter of Dr. Wang King-ky, who has been studying for her doctor's degree at the University of Brussels, has won the coveted prize after fulfilling the requirements of the university and is now the first Chinese woman to have received a doctorate from that insititution. Dr. Wang used as her doctor's thesis the opium problem in China.

The death occurred in Mukden July 17 of T. Sahara, president of the Shengking *Shih Pao*, a Japanese owned Chinese language newspaper, following an illness of several months. Deceased, who was 58 years of age, was a resident of Shanghai for many years, acting as correspondent of the *Jiji Shimpo* of Tokyo. He was also for many years a director of the *Shanghai Mercury*.

The trial of Mr. and Mrs. Paul Noulens was scheduled to be resumed in the Nanking district court on the morning of August 4, but was postponed until August 10 as a result of a further application by their lawyer, Dr. O. Fischer, for a change of venue to Shanghai. The accused, having recovered from the effects of their hunger strike, were removed from the Drum Tower hospital July 31 to the detention house.

Opposition to American Electric Enterprise in Hangchow

(The following item was circulated by the Japanese "Press Union" service in Shanghai, July 23.)

In an appeal to the Executive and Control Yuans, in Nanking, the Chinese Electric Operators' Guild, expressing opposition to the reported proposal for the establishment in Hangchow of an electric company with the help of a loan from Americans, requests the Government not to grant the permission for the proposed electric enterprise in Hangchow. The message states that the establishment of such an industrial undertaking through obtaining financial assistance from foreigners goes against the principle laid down by the late Dr. Sun Yat-sen.

The guild's message hints that the interest of Americans in the proposed electric enterprise in Hangchow has doubtless been "prompted by their ambition to place all electric enterprises in Kiangsu and Chekiang under the hegemony of the American electric trust."

Who's Who in China

Lan Hsiang-heng, radio equipment manufacturer; born at Chengtu, Szechuen, 1907; after completing his studies at the Department of Foreign Languages of Szechuen University, he came to Shanghai and attended the Shanghai-Woosung Radio Engineering College, from which he was graduated; appointed chief operator of the radio station of the Bureau of Communication, Nanking, 1928; later served as assistant radio-engineer of the National Reconstruction Commission, Nanking; engaged in self-study of radio engineering for four years and specialized in the manufacture of both long-wave and short-wave radio transmitters and other kinds of radio outfits; organised together with Chiu Yu-fan (now chief engineer of the International Radio Station at Shanghai) the China Electric Engineering Association at Moulmein Road, Shanghai, engaged in the manufacture of radio outfits; established the Chien Wah Electric Supply Co., Shanghai in 1932, of which he is the proprietor and manager; address: Chien Wah Electric Radio Supply Co., 393, Avenue Foch, Shanghai.

藍象亨字德尊
Lan Hsiang-heng

藍象亨，字德尊，年廿五歲，生於四川成都， 民十一年，卒業四川大學外國文學院， 旋來滬入淞滬無線電學校習無線電工程， 十七年任南京交通處無線電報務長，繼任建設委員會無線電副工程師， 嘗與現任交通部國際電台總工程師邱越凡君研究長短波無線電機之製造，積四年之精研， 遂與邱君設中國電學工藝社於上海慕爾鳴路， 樹國人製造無線電機械之基礎， 民二十二年氏創辦建華電機材料公司於福煦路三九三號， 專門製造無線電出品，供給全國，氏自任經理。

Draft Chinese Conscription Law Is Made Public

The text of the draft Conscription Law now under consideration by the Central Political Council at Nanking has been made public. Following is a free translation of the draft:—

Art. 1.—All citizens of the Chinese Republic shall be liable to military service.

Art. 2.—Military service shall be divided into two kinds, namely, the "Citizen Forces" and the Regular Standing Army.

In the case of the "Citizen Forces," all able-bodied adults in the country shall receive military training at stated intervals during peace-time, and, whenever necessary, shall be liable to be called up for active military service.

The Regular Standing Army shall be sub-divided into three categories, for "active service," "reserve" and "secondary reserve" service.

Art. 3.—Military training for those liable to "Citizen service" shall be planned and carried out by the Ministry of Education in conjunction with the Inspectorate-General of Military Training. Matters pertaining to the "Regular Standing Army" shall be planned and carried out jointly by the Ministries of War and Education.

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BACKWARD & RICKETY CHILDREN.

It is difficult to imagine anything more serious than the development of rickets in a child. The malformation of the bony structure that is caused by rickets is rarely if ever corrected later in life and the child grows up a mis-shapen cripple with prospects of a life of misery.

Rickets are the result of malnutrition. The child is anaemic and the elements with which the blood feeds the bones and enables them to grow is lacking.

Careful attention to diet and fresh air is immediately essential. Food should be nourishing and any milk given must be fresh, pure and full cream. In addition a course of Dr. Williams' Pink Pills in the dosage prescribed for children will be of invaluable assistance. Dr. Williams' Pink Pills improve the quality and quantity of the blood and thus constitute an invaluable independent source of nourishment.

Mr. H. E. Reimers of 20 Vihare Lane, Wellawatte, Colombo, recently wrote: "My daughter Iris suffered from rickets in childhood and was very weak. She would not eat and she slept badly. It was on the advice of our doctor that we started giving her Dr. Williams' Pink Pills. The first bottle brought results that pleased us and as we continued the treatment my daughter gradually grew stronger and healthier. Finally she became quite a different girl, and we have no hesitation in recommending this wonderful blood tonic to parents of children suffering from rickets."

Dr. Williams' Pink Pills are obtainable from chemists everywhere. Nothing else is so good for cases of mal-nutrition and the consequences of impoverished blood, whether in youth, maturity or age.

NOTICE

To Subscribers

(*Residing Overseas*)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

The China Weekly Review

38 Avenue Edward VII

Shanghai.

New Books of Interest in the Far East

A Sinologue Who Neglects Economics

Manchuria: Cradle of Conflict, by Owen Lattimore. Published by The MacMillan Company, New York.

Here is a book that insofar as its description of Manchuria and Manchurian peoples is concerned is probably the best that has appeared. Mr. Lattimore is a veteran resident of North China who is an accomplished sinologue and evidently a careful observer. Although he spent but nine months in investigation of Manchuria in 1929-30 under a fellowship from the Social Science Research Council of New York for the writing of his book, the time was ample for one with his background and knowledge of Chinese.

His book was written just before Japan's conquest of Manchuria started, but he refrained from revising much of it on that account, being content with giving the background of the situation rather that dealing with events which were changing so rapidly. And, so far as description is concerned, he has accomplished his task well. He surveys the Manchuria of the past, tells of the modern status of the Mongols, Manchus, and Chinese, and particularly deals with life in the countryside that few foreign observers ever see or would be capable of writing much about if they did see.

But Mr. Lattimore apparently never heard of the science of economics. This branch of knowledge has been called "the dismal science," and perhaps Mr. Lattimore has a horror of being dismal, but economics after all is not so complicated. If one merely observes in everyday life the influence of the pressure of earning a living on acts and attitudes, one can grasp the first principle of the economic aspect of history without even reading a book on the subject. But however dismal and complicated economics may be, it cannot be ignored if one would achieve an understanding of Manchuria or any other area of the world.

Further, Mr. Lattimore does not display the same intimate acquaintance with Japan that he does with Manchuria, which is very unfortunate in view of the part Japan is playing in Manchuria. In the very beginning of his book he presents the thesis that Japan has truly been westernized while China has not fundamentally changed and insofar as she has adopted western technique at all it has been subordinated to an ancient, autochthonous and monopolistic culture.

As a matter of fact, there is overwhelming evidence that Japan is fundamentally less changed than China by impact with the west, although it is probable that change in either nation from the mass viewpoint has been considerably exaggerated. Assuredly Japan has adopted western technique to a far greater extent than has China, but she has retained almost intact her old feudal family system, and at the very same time that she was engaging in her so-called westernization she instituted the Mikado-worship that today afflicts virtually every son of Nippon. Two more violently non-western concepts than the Japanese family system and Mikado-worship could hardly be imagined, but they are the ideological basis of modern Japan. It is true that many western lands still have kings, but never have they been regarded as living gods, nor today are they even justified by any theory of divine right. Further, the Japanese propensity for, and fanatical adoration of, assassination as a political weapon can only be regarded as representing some fundamental divergence from western attitudes.

Mr. Lattimore, however, would have us believe that Japan has deliberately and voluntarily reformed to get in step with the west while China has equally deliberately and voluntarily refused to reform. Here his lack of speaking acquaintance with economics leads him into strange paths. There was really nothing deliberate or voluntary in the course of either country. Japan came into intimate contact with the west at a stage of her history when she was in feudal chaos and ripe for a change. A small group was therefore able to adapt western technique to that change, which was merely superimposition of a theocratic state on a feudal family system. When China came into intimate contact with the west the Manchu dynasty was degenerate but still potent, and by the time the situation became ripe for change—1911—imperialism had such a firm hold that attempts at change could only result in chaos. However, in the subsequent break-up of the family system among large sections of the population

and the abandoning of Confucian attitudes by the young intelligentsia, a far more profound change in the direction of the west got under way than has yet started in Japan save among small groups who are harried by the police for having "dangerous thoughts."

In discussing Chinese colonization of Manchuria, Mr. Lattimore cites that, unlike the pioneers who settled the American west, the Chinese usually have their back to the frontier and their faces toward China proper, to which they wish to return when they have made a fortune large or small. From this fact he seeks to show that there is some esoteric and subtle difference between Chinese and western civilization. The matter could really be explained much more simply and intelligently by economics.

There is, by Mr. Lattimore's own evidence, virtually no free land in Manchuria. In the American west a colonizer could stake a claim and settle on it as full owner. The Chinese migrating to Manchuria goes as a tenant farmer. When free land in America ceased to exist there was no longer pioneering. Furthermore, the phenomenom Mr. Lattimore observes existed for a long time in the west. After free land in America no longer existed, but wages in the country were still high, there was much European immigration entirely for the purpose of working a while, accumulating a small fortune, and then returning home.

Mr. Lattimore also seeks to explain that the Mongol conquests were merely an expression of "noble souls." Again a little knowledge of the economic forces of history would prevent such an explanation that is no explanation at all. The Mongols were simply people in the nomadic stage of development who had no way to get wealth except by the plunder of settled peoples. And that the Mongols react just like other people with or without "noble souls" to economic considerations is shown by the change that has taken place among them where their reflexes have been re-conditioned through contact with Soviet influence in Outer Mongolia.

The Japanese, according to Mr. Lattimore, have now reached a cultural stage where "settlement on the land, out of Japan, even under urgent economic pressure, no longer appeals to them." This, he says, rather than the rigorous climate of Manchuria, or any other factor, has prevented their settlement of the area. Which is interesting, but simply cockeyed, in view of the fact that the Japanese settled very rapidly in Hawaii and California—which are climatically adapted to them—as long as American immigration laws permitted.

Mr. Lattimore has a very muddled chapter on opium in relation to Manchuria. Quite correctly he cites that large areas of the territory have been settled and developed through the lure of poppy. Then he adds that the Chinese "can and do consume a great deal of opium without becoming addicts, or suffering any harm whatsoever," later, however, declaring opium does its "greatest damage" among the working class. All of which is somewhat conflicting.

In conclusion Mr. Lattimore says that "the underlying struggle in Manchuria is, and will be throughout our century, caused by conflicting migration of cultures and people, and the effort of cultures to assert themselves over peoples," the Japanese representing western culture and Chinese the unchanging culture of Cathay. This reasoning, if such it may be called, is somewhat difficult to follow, for in the final analysis there is no cultural conflict in Manchuria. A cultural conflict can come only in a land containing divergent groups under a strong, stable government, and then the conflict would be more properly described as economic rather than cultural since culture invariably is merely a reflection of factors that are primarily economic.

Today and for some time past, and most probably for some time in the future, Manchuria is merely an area overwhelmingly Chinese in population which Japan has seized through superior military force and is endeavoring to hold by the same force. There is no "effort of cultures to assert themselves over peoples:" there is simply an effort of imperialistic Japan to exploit the vast economic resources of a virtually undeveloped area and thereby bulge the exchequer of the Mikado and his high priests. W.B.

Shanghai Directory Appears Up to Usual High Standard

The Shanghai Directory is the mid-summer edition of the China Hong List, published by the North China Daily News & Herald, Ltd. It is a handy volume, accurate, and replete with information on Shanghai's residents, firms, associations, societies and clubs. By using a somewhat smaller, but none the less clear, style of type, the number

In the United States Court for China

In re.	Cause No. 3458
Last Will & Testament of JOANNA MARIA JUSTER LEE Deceased	Special Proceeding No. 789
	NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOANNA MARIA JUSTER LEE deceased, to present the same with vouchers to the undersigned on or before February 27th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China. THOMAS ALLA LEE
July 22, 1932. Executor, 64 Rue Molliere
Shanghai, China.

In the United States Court for China

LORAINE LOWDER PINKSTON, Plaintiff, vs. JOSEPH EDWARD PINKSTON, Deceased	Cause No. 3464 Civil No. 1552 ORDER Filed at Shanghai, China. July 22nd, 1932. Sgd L. T. Kenake Asst Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by her attorney, has this 22nd day of July, 1932, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 22nd day of July 1932, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 20th day of July, 1932, Loraine Lowder Pinkston, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has he been within the jurisdiction of this Court during the last year previous to the 20th day of July 1932;

NOW TEHEREFORE it is this 22nd day of July, 1932. ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holiday, occurring after the 20th day of August, 1932, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

SGD MILTON D. PURDY
Judge.

Customs Notification

In accordance with Government instructions, the public is hereby notified that a Revenue Surtax of 5% of import and export duties will be collected on goods applied for between 1st August, 1932 and 31st July, 1933. Articles which are exempted from Flood Relief Surtax will be exempted from Revenue Surtax. No extension will be allowed for bonded goods, and goods for which applications to withdraw from bond for import are made on and after the 1st August will be liable to Surtax. Drawbacks for Revenue Surtax will be issuable in accordance with the practice governing the issue of drawbacks for duty.

H. O. Tong,
Superintendent of Customs.

F. D. Goddard,
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, 29th July, 1932.

CUSTOMS NOTIFICATION.

With reference to Customs Notification of the 17th May, 1932, notifying the public that the Government had abolished the export duty and surtax on silk as from the 18th May, 1932, the public is now hereby notified that in accordance with Government instructions native silk "skin" which is spun from waste cocoon skin will also be exempted from export duty on exportation abroad as from the 25th July, 1932.

H. O. Tong,
Superintendent of Customs.

F. D. Goddard,
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, 29th July, 1932.

CHILDREN WHO DROOP IN SUMMER

Many children never seem to be able to get accustomed to hot weather. All kinds of ailments come cropping up when the hot season arrives, stomach troubles with loss of energy, mal-nutrition and retarded growth.

For such children Baby's Own Tablets will prove highly beneficial. Most children's ailments arise in stomach and bowels and can be avoided if these organs are kept clean and healthily active.

Baby's Own Tablets are specially designed to meet the need for a gentle yet effective juvenile stomach and bowel regulator. They correct indigestion, sour stomach, colic, constipation, stimulate healthy appetite, allay feverishness, check colds, diarrhoea, expel worms, and during teething they are especially valuable, easing the pains and thus enabling baby to obtain health-giving sleep. Baby's Own Tablets are guaranteed to contain no opiates of any kind but only the purest and best ingredients for children's and babies' ailments. Obtainable everywhere

of pages has been reduced somewhat from previous years, but otherwise the Directory appears in the form which was adopted as the standard several years ago. Shanghai firms are first of all classified alphabetically, with addresses, Chinese names, lists of employees and also of agencies represented. In Shanghai's Who's Who, residents who are gainfully employed are listed alphabetically with an indication of their affiliations together with business addresses. In the Street Directory all residents are classified under streets, arranged alphabetically and houses numerically. In the Residents' Directory residents are once more classified alphabetically, this time with their home addresses.

Spirit of Heroism Enacted on the Screen

"A Solider of the 19th Route Army" is the latest production of the Jansen Sound & Color Film Enterprise, a preview of which was given to press representatives last Monday at its offices on Hongkong Road. This picture does not attempt to tell the whole story of the Shanghai War, as can readily be judged from its title, but it depicts one important phase of the War which has been neglected by all other Shanghai War pictures. It reveals one sterling fact that the Chinese, like all other peoples in the world, are equally capable of enduring sacrifices when emergency demands and that patriots and heroes are not the "prized productions" of an aggressive neighboring power. Despite the unfortunate truth that China is "packed" with multitudes of traitorous merchants whose sole aim is money acquisition and material satisfaction of base instincts, there are many others who value the welfare of the nation above their personal interests and are ready to sacrifice themselves for the nation. Li Kai-lum, hero of the picture, is but one of the unknown thousands who prefer to die at the "Front" resisting a foreign foe, rather than live and see his country enslaved by it. A dying nation has no spirit of sacrific or struggle, and allows itself to be butchered and slaughtered without resistance. It is because China is not a dying nation that she finds such spirit demonstrated by her loyal and patriotic sons as depicted in this picture.

The picture deserves praise both in its conception and production. It dramatizes a real situation and has the least flavor of propaganda, as charged by some people. It is not intended to curry the favor of either the Chinese or the Japanese and simply depicts a true phase of the late war in Shanghai. The refusal of the authorities of both the International Settlement and the French Concession to allow the picture to be exhibited in these two areas for "political reasons" seems to be due to over-precaution or ungrounded fears, for throughout the picture, no portion of it can be considered as unpleasant to the Japanese. Acts of heroism are admired and given publicity in all lands. Such acts are facts and can not be suppresssd.

The story of the picture tells of a patriotic Cantonese youth, deserting his aged mother and joining the army service upon learning of the news of Japanese aggression in Manchuria. He became enlisted under the standard of the 19th Route Army and belabored himself through the severe military drill, preparing himself to better die for the nation. Suddenly, the Shanghai war broke out and our hero was seen marching with his regiment to Shanghai to fight against the Japanese. Promptly he took up his position at the front and was seriously wounded in action while charging on the enemy. Picked up from the muddy trenches, he was rushed to a hospital, but upon leaving the battlefield, he forget his serious pains and shouted to his comrades "Forward for the Nation." While he was convalescing at the Hospital his sense of patriotism was once again fired upon learning the news of arrival of Japanese reinforcements at Shanghai. Despite his extremely weak condition, he thought to himself that his country was needing him at the front and promptly applied to his doctor for discharge—which met with adamant refusal. The next scene depicts our hero escaping from the Hospital under moonlight and hurried back to the headquarters of his regiment. Reprimanded by his commanding officer for his unauthorised return in such weak condition, he replied "It is better to have a weak soldier who is willing to die, than to have a strong one that is afraid to be in uniform." and by this reply, was again assigned to the Front. The closing scene of the story is the 19th Route Army marching off to Fukien. The picture has its background largely at Soochow and Kunshan where military activities centered after the retirement of the Army from the Shanghai environs.

C. H. Hoh.

CUSTOMS NOTIFICATION

In accordance with Government instructions the public is hereby notified that the following import tariff rates will be applied as from the 4th August, 1932.

Tariff No.			
104	Artificial silk Floss and Yarn	Picul	G.U. 73
105	Silk and Waste Silk, n.o.p.f.		
	(a) Silk, Raw	Value	60 %
	(b) Others	Value	40 %
106	Imitation Gold or Silver Thread, on Silk (including those mixed with any other fibres)	Value	60 %
107	Yarn and Thread, n.o.p.f.	Value	55 %
108	Lace, Trimmings, Embroidered Goods, and all other materials used for decorative or ornamental purposes; and all products made wholly thereof	Value	70 %
109	Knitted Tissue	Value	70 %
110	Elastic Webbing, Braid and Cord	Value	55 %
112	Plushes, Velvets, and all other Pile Cloths	Value	70 %
113	Silk (Natural) and Cotton Satins, White, Dyed, or Yarn-dyed:—		
	(a) Plain	Catty	G.U. 2.70
	(b) Figured	Catty	G.U. 5.50
	(c) Yarn-dyed	Catty	G.U. 7.00
114	Silk Piece Goods (including those mixed with any other fibres), n.o.p.f.:—		
	(a) Of natural silk	Value	70 %
	(b) Of artificial silk	Value	70 %
	(c) Of natural silk and artificial silk	Value	70 %
	(d) Of natural silk and wool or of natural silk and wool and vegetable fibre	Value	70 %
	(e) Of artificial silk and wool or of artificial silk and wool and vegetable fibre	Value	70 %
	(f) Of natural silk and Vegetable fibre	Value	60 %
	(g) Of artificial silk and vegetable fibre	Value	60 %
115	Clothing, and all articles of personal wear and parts or accesories thereof, n.o.p.f.	Value	75 %
116	Silk Goods (including those mixed with any other fibres), n.o.p.f.	Value	60 %
367	Champagne and any other wine sold under the label "champagne"	Case of 12 bottles or 24 half bottles	G.U. 34.00
368	Sparkling Astis	Case of 12 bottles or 24 half bottles	G.U. 15.00
369	Other Sparking, wines	Case of 12 bottles or 24 half bottles	G.U. 16.00
370	Still Wines, Red or White, exclusively the produce of the natural fermentation of Grapes (not including Vins de Liquer):—		
	(a) In bottles	Case of 12 bottles or 24 half bottles	G.U. 12.00
	(b) In bulk	Imperial Gallon	G.U. 1.80
371	Port Wine:—		
	(a) In bottles	Case of 12 bottles or 24 half bottles	G.U. 19.00
	(b) In bulk	Imperial Gallon	G.U. 5.90
372	Marsala:—		
	(a) In bottles	Case of 12 bottles or 24 half bottles	G.U. 15.00
	(b) In bulk	Imperial Gallon	G.U. 4.80
373	Vins de Liquer other than Port and Marsala (viz. Madeira, Malaga, Sherry, etc.):—		
	(a) In bottles	Case of 12 bottles, etc.	G.U. 18.00
	(b) In bulk	Imperial Gallon	G.U. 5.00
374	Vermouth, Byrrh, and Quinquina	Case of 12 litres	G.U. 9.00
375	Vermouth, in bulk	Imperial Gallon	G.U. 4.50
376	Saké:—		
	(a) In barrels	Picul	G.U. 29.00
	(b) In bottles	12 sho	G.U. 15.00
377	Ale, Beer, Porter, Stout, Cider, Perry, and similar Spirituous Liquors made of Fruits and Berries	Value	80 %
378	Brandy and Cognac:—		
	(a) In bottles	Case of 12 reputed quarts	G.U. 21.00
	(b) In bulk	Value	80 %
379	Whisky:—		
	(a) In bottles	Case of 12 reputed quarts	G.U. 21.00
	(b) In bulk	Value	80 %
380	Gin:—		
	(a) In bottles	Case of 12 reputed quarts	G.U. 11.00
	(b) In bulk	Value	80 %
381	Rum:—		
	(a) In bottles	Case of 12 reputed quarts	G.U. 10.00
	(b) In bulk (not including Rum for industrial uses)	Value	80 %
382	Liqueurs	Case of 12 reputed quarts or 24 reputed pints	G.U. 19.00
384	Wines and all other Alcoholic or Spirituous Liquors and Beverages, n.o.p.f.	Value	80 %
444	Medicines, Drugs, and Medicinal Substances, Compounds, and Preparations, n.o.p.f.	Value	20 %
446	Aniline Dyes, and other Coal Tar Dyes, n.o.p.f.	Value	35 %
461	Indigo, Artificial, containing not more than 20 per cent. Indigotin (higher strengths in proportion)	Picul	G.U. 14.00
644	Toys and Games, n.o.p.f.	Value	30 %
647	Articles not otherwise provided for in this Tariff	Value	15 %

The above rates are applicable to cargo (including bonded cargo) applied for on and after the 4th August, 1932. The duty for traiff headings Nos. 367 to 384 inclusive in the above list includes excise taxes.

H. O. TONG,
Superintendent of Customs.

F. D. GODDARD,
Commissioner of Customs, Officiating.

CUSTOM HOUSE,
Shanghai, 3rd August, 1932.

How French Interests Would Solve the C.E.R. Problem

With reference to the visit of the representative of the Franco-Asiatic Bank now in Manchuria, the Paris correspondent of the *Manchester Guardian* July 10 stated that the principal mission of this French banker is to defend the rights of French interests in regard to the Chinese Eastern Railway. The French proposal is to declare null and void the agreement made in 1924 between the Chinese and Russian Governments under the pressure of the latter and without consulting the Russo-Asiatic Bank, and to put into force a convention on the lines of that concluded in 1920 between the Russo-Asiatic Bank and the Chinese Government. The correspondent comments that on their own avowal certain French interests are inciting the bogus Manchurian Government to repudiate the Russo-Chinese agreement of 1924. Is this to be a *quid pro quo* for French support of the action of Japan in Manchuria? In any case it is a grave matter which might have very serious consequences, and it would be interesting to know whether the French interests in question consulted the French Government and are acting with its consent.

Fourth Marines Chaplain Speaks Bluntly on Subject of Communism

Speaking on the subject of "The Woman Who Dared"—the reference being to the Book of Esther—at the Fourth Marines Church Service in Shanghai, Sunday, Jluy 31, Chaplain Joseph H. Brooks after making a brief reference to the French and Russian Revolutions, and stating that Americans need not necessarily think that their position was different and that such things could not happen in the United States, said: "The only sure defense against the spread of Communism is to have a just industrial system, and you might as well face that fact."

National Salvation Fund Being Raised in Honan

Creation of a $3 million national salvation fund with contributions from all the districts of Honan province was decided upon at a joint conference of Provincial Party, political, and military officials held at Loyang July 31. According to details of the plan, each district is to contribute from $40,000 to $80,000.

The Policy of Prolonged Resistance

To the Editor, *The China Weekly Review*:-

With reference to the article by Mr. Bess in last week's issue of *The Review*, which on the whole discusses very intelligently an important phase of China's present political situation and represents a close and acute observation of a well-informed journalist, allow me to say that there are a few inaccuracies which were either based on hearsay or due to mis-information; there are also certain points regarding the interpretation of the socalled "policy of prolonged resistance" with which I do not fully agree.

In the first place, Mr. Bess positively stated that Gen. Chiang Kai-shek ordered the Mayor of Greater Shanghai to accept the demands of the Japanese for the withdrawal of the 19th Routh Army from Shanghai and that the withdrawal had actually started when the Japanese precipitately attacked Chapei on Jan. 28. Gen. Chiang Kai-shek's share in the Sino-Japanese war at Shanghai has thus far remained a matter of speculation and there had been so many rumors prior and after the outbreak of the war about him that one finds it difficult to accept which was true. So, Mr. Bess' allegation regarding his order for the withdrawal of the 19th Routh Army is also subject to doubt and seems equally lacking definite basis in fact. It seems true that Gen. Chiang never favored an open clash with the Japanese at Shanghai and had tried to avoid it, but none can establish the fact that he actually ordered the withdrawal of the army from Shanghai. Gen. Chiang, at the time of outbreak of the war, was still in "retirement," so to speak, having resigned from the dual post of President of China and Commander-in-Chief and was then a member of the Standing Committee of the Central Executive Committee of the Party. He might have advised in the latter capacity regarding the course to be taken in Shanghai, but officially, he was not in a position to issue direct orders either to the Mayor or to the Commanders of the 19th Route Army for its withdrawal from Shanghai.

Secondly, the allegation that the 19th Route Army actually started to withdraw in the night of Jan. 28 is not true. Indeed, on the other hand, the Army did not attempt to evade the anticipated Japanese attack and was not entirely taken by surprise. According to confidential and official reports submitted by the various commanders to the Headquarters of the 19th Route Army which should be accepeted at their face value in view of their confidential nature, the Chinese garrison units in Chapei had started to make preparations since the San Yue Towel Factory Incident on Jan. 20 in anticipation of the Japanese attack. Two defense lines were laid out in Chapei and barbedwire and sandbag barricades were erected at important road intersections days before the actual outbreak on Jan. 28. It may be stated as a fact that the 19th Routh Army had long entertained the intention of resisting the Japanese, should the Japanese precipitate a situation in Shanghai and although uncertain of the outcome of such a resistance, certainly did not start to retreat on the every night when the Japanese opened their attack.

Mr. Bess made a slight mistake, when he mentioned Gen. Chiang Kai-shek's own army participating in the Shanghai war as consisting of the 88th and 89th Divisions. The fact is that Gen. Chiang's two Divisions are the 87th and 88th Divisions which formed the so-called 5th Army. There was no 89th Division in the whole Shanghai defense force.

Mr. Bess elaborates a great deal on the socalled "Policy of Prolonged Resistance" and regards it as a deliberate and well-framed measure of the Government Authorities. However, the Chinese do not view this in the same light. They consider this more as a slogan designed to catch the favor and imgination of an enraged and furious nation and to keep the Government in power, rather than anything else. So far as the Shanghai war was concerned, this so-called policy remained a mere empty word and was never sincerely carried out, despite much outward fuss about its enforcement.

The socalled National Emergency Conference at Loyang was but a farce, a mere gesture, and nothing important resulted from it, except a hollow worded though high sounding manifesto. The Conference under the Kuomintang monopoly had never aroused much interest among the people as a whole and it was more a Kuomintang conclave than a National Convocation. The people held the view that in view of the urgency of the then prevailing war situation, the stage of table talks was long over and what they expected of the Government was some definite and concrete measure, not paper resolves and empty pronunciamentoes. They wanted to see more troops rushed to Shanghai to keep up the defense, but they were disappointed in this. In view of the futility and meaninglessness of previous manifestos, how can the people help viewing this manifesto issued by the Emergency Conference with skepticism and total lack of confidence?

The removal of the Capital to Loyang and Sian, as planned, is another joke designed to play upon the imgination of the people. It revealed more the cowadice of the Government in facing bodly the crisis than the determination of the ruling authorities to resist the foreign foe. Beyond the holding of the Emergency Conference and its resulting manifesto, the transfer of the Capital had accomplished nothing in the way of resistance. If the Authorities continue to adopt the policy of evasion and cowardice, even the flight to Sianfu can not save it from its ultimate fate of collapse.

Whether or not the socalled policy of "Prolonged Resistance" can save China, it is yet very difficult to say. If this prolonged resistance is to constitute an effective weapon to achieve a definite end, it must be officially organised and supported. The Chinese leaders should courageously accept the inevitable situation and evade no longer. If they are really sincere and whole-hearted in their determination to recover Manchuria, they must be ready to make sacrifices and positively resist, even the outcome of such resistance for a long time were certain defeat, for even defeat, as Eugene Chen well phrased, may yet renew the strength and power of the nation.

Shanghai, Aug. 1, 1932 HOH CHIEH-HSIANG.

Resumption of Sino-Soviet Relations Draws Nearer

The pourparlers which are being conducted at Moscow for the resumption of Sino-Soviet diplomatic relations are reported to be making progress. It is understood that the National Government is no longer insisting upon the conclusion of a Sino-Soviet Non-Aggression Pact as a condition for the resumption of diplomatic relations. As the Soviet Government is said to have agreed to give an undertaking satisfactory to China to refrain from carrying on Red propaganda in China, the main obstacle in the way of resumption has thus been removed.

It will be remembered that several months ago the Soviets proposed the negotiation of such a non-aggression pact with Japan, but the latter spurned the offer with contempt. Now, however, that the Chinese have been proposing to the Soviets the signing of such a pact, and particularly because Poland and the Soviets have recently signed such a non-aggression pact, the Japanese are very much on the *qui vive* concerning the matter of these pacts, as the signing of the pact with Poland has thrown into the discard one of Japan's possible allies in case Japan made an attack on Russia. Ambassador Hirota recently called on Mr. Karakhan, Assistant Commissar of Foreign Affairs in Moscow, to get this matter of the possibility of signing a non-aggression pact with China straightened out. Mr. Karakhan told the Japanese Ambassador that Wang Tseng-en, a member of the Chinese delegation, had verbally communicated the desire of the Chinese Government for the signing of such a pact. The Japanese reports on Mr. Karakhan's attitude were that he was not altogether opposed to the idea. A possible explanation of the situation is that the Soviets objected to the Chinese *insisting* on the signing of such a pact as the preliminary to resuming relations. There are indeed indications that as time goes on both countries will see the advantage to be derived from such a pact and will enter into such an undertaking accordingly.

General Shake-up in Japanese Consular Service

Itaro Ishii, Japanese Consul-General at Kirin, has been appointed Consul-General in Shanghai in succession to Kuramatsu Mura, who was at first instructed to return home, but later appointed to be Consul General at Sydney. Shohei Morioka, Consul at Mukden, has been ordered to take charge of the Consulate-General at Kirin pending the appointment of a new Consul-General. Yaoichi Shimizu has been appointed Consul-General at Hankow, succeeding Mr. Sakane who was also ordered to return to Japan. Goro Uchida, Consul at Chefoo, has been transferred in the same capacity to Tsitsihar.

Masaichi Kamiyoshi, of the Asia Bureau of the Foreign Office, has been selected to be Japanese Consul at Mukden.

Japan also Transfers Ambassadors

A decision for wholesale exchange of ambassadors, ministers and chiefs of various bureaus of the Foreign Office was made at Tokyo July 29, when Count Yasuya Uchida, the Foreign Minister, ordered Koki Hirota, ambassador to Moscow, and Shigeru Yoshida, ambassador to Italy, to return to Japan immediately. It was also announced that Mr. Debuchi would be recalled from Washington.

Hindu-Moslem War Is Threatened in India

A telegram from Bombay August 2 called attention to the agitation of the Mohammedan population of the native state of Alwar which was going on against its Hindu sovereign. The Moslems are quitting Alwar en masse and emigrating to provinces where the population is predominantly of their faith. Moslems in Delhi are staging demonstrations against the Alwar prince and the intervention of the imperial government is generally forecast. Meanwhile, more than 3,000,000 Sikhs living in Punjab are threatening open war against the Mohammedans if the arbitration of the British premier, Ramsay MacDonald, in the communal question confirms the rights of the Mussulman majority.

General Wang Keng Is Sentenced for Leaving Post Without Permission

Brigadier General Wang Keng, who is a graduate of West Point Military Academy, was sentenced to two years and six months' imprisonment by the Military Court at Nanking August 2 for leaving his post without the approval of his superiors during the Sino-Japanese fighting in the Shanghai area. General Wang, it will be remembered, dressed in civilian clothes, was arrested in the Astor House in February, after he had entered the Japanese Consulate, mistaking it for the American Consulate, which had in the meantime been moved from the old location adjoining the Japanese Consulate. General Wang had in his possession at the time valuable military maps. These the Japanese took from him, releasing him a few days afterwards.

Copper Deposits Being Worked West of Wenchow

The unauthorized exploitation of copper mining in southern Chekiang by a foreign national is reported from Chintien, west of Wenchow, where copper deposits exist. Twenty tons of copper ore are said to have been transported to Shanghai via Wenchow. The Chekiang Provincial Department of Reconstruction has ordered the magistrate of Chingtien to verify the report and to stop any illegal activities.

Latest New York Stock Exchange Quotations

Market:—Easy Business Done 1,400,000 Shares

Aug. 3, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. Aug. 1	Tues. Aug. 2
23½	1⅝	—	Adams Express	3⅞	3½
182¾	42½	*6.00	Allied Chemical & Dye	58¾	57⅛
42¾	4	.50	Allis Chalmers	6½	6⅝
129¾	29⅝	*4.00	American Can	39XD	37¾
51¾	2	—	Amer. & Foreign Power	4¼	3⅞
31½	1⅛	—	Amer. & For. Power W.	2⅜	2⅛
58½	5⅛	—	American Smelting	13½	12½
201¾	71¾	9.00	American Tel. & Tel.	91¼	89¼
132¾	44	*5.00	American Tobacco "B"	69	67¼
80¾	11	2.00	American Waterworks	17¾	17⅜
43¼	3	—	Anaconda Copper	7⅛	7¼
295½	28¾	*4.00	Auburn Automobiles	62	60
87⅞	3¾	—	Baltimore & Ohio	8⅝	8⅛
70⅜	7½	—	Bethlehem Steel	13⅝	12¼
76½	20⅛	*2.00	Borden Company	27	26½
30¾	3⅜	—	Borg Warner	6½	6
45¾	7¼	1.25	Canadian Pacific Railway	13⅛	12⅞
131½	16¾	—	Case, J. I.	31⅝	29½
102	19	2.00	Chase Bank	27¾	26¾
54⅛	5	2.00	Chesapeake Corp.	8¼	7½
25¾	5	1.00	Chrysler	8¾	8⅜
20¾	1¼	—	Cities Service Co.	4	3¾
45⅝	4¼	1.00	Columbia Gas & Electric	9⅝	8¾
12	1⅝	.30	Commonwealth & Southern	2⅜	2¼
2¾	¼	—	" " warr.	Not	5/16
109⅝	31½	4.00	Consolidated Gas. of N.Y.	47¾	45⅛
12	3⅝	—	Continental Oil	6½	6⅛
86⅝	25	*3.00	Corn Products	36	35½
5⅞	⅞	—	Curtiss Wright Co.	1⅝	1¼
78¾	23	4.00	Drug Incorporated	34	33
107	22⅛	3.00	Du Pont de Nemours	29	27⅝
185¾	36	5.00	Eastman Kodak	45⅝	44½
61	5	6% S	Electric Bond & Share	10	9
60¾	2⅞	—	Electric Power & Light	5	4½
38⅜	1	—	Fox Film "A"	2¼	2¼
54¾	8⅝	.40	General Electric	13⅞	13½
56	19⅝	2.00	General Foods	25⅛	24½
48	7⅝	1.00	General Motors	11	10⅝
84⅛	6⅛	1.00	General Railway Signal	16	Unq.
38¾	9¼	1.00	Gillette Safety Razor	16¼	15½
42½	8¼	1.60	Gold Dust	14½	13¾
20⅞	2¼	—	Goodrich Rubber	4½	4
52¾	5½	—	Goodyear Tire & Rubber	12	11½
62½	3⅝	—	International Cement	9⅞	9½
4	½	—	International Combu. Eng.	Unq.	⅞
60½	10½	1.80	International Harvester	16⅞	15⅞
20⅛	3½	—	International Nickel	6	6¼
38¾	2⅝	—	International Tel. & Tel.	6⅛	5¾
80¾	10	—	Johns Manville	14⅝	14
31½	5	—	Kennecott	8⅜	8¼
27¾	1/32	—	Kreuger & Toll	⅛	3/32
91¾	34⅛	*4.00	Liggett & Myers, "B"	52¾	52⅝
63¼	13¼	*3.00	Loew's: Inc.	22½	22½
21⅞	9	1.20	Lorillard P. Co. (com.)	15	14⅝
19	1½	—	Ludlum Steel	Unq.	Unq.
29¼	3⅜	—	Montgomery Ward	7⅛	7⅛
108½	23¾	2.00	National City Bk. bid price	36	34¾
14¾	2½	—	Nevada Copper	4⅝	4⅜
132¼	8¾	—	New York Central	16¼	15¼
90¼	13¾	10%S	North American Co.	21⅝	20¼
54⅞	16⅞	2.00	Pacific Gas & Electric	24	23¼
11⅞	1⅝	—	Packard Motors	2⅜	2¼
50¼	1½	—	Paramount—Publix. Corp.	3½	3½
64	6½	—	Pennsylvania Railroad	12⅜	11⅛
8½	1	—	Pennroad Corporation	2¼	2
16⅝	2	—	Phillips Petroleum	5⅞	5⅞
96	28⅞	3.20	Public Service of N. Jersey	38½	37⅜
27½	2½	—	Radio Corporation	6⅜	5¾
24½	1½	—	Radio-Keith Orpheum	3½	3⅜
54½	26⅝	3.00	Reynolds Tobacco "B"	31¼	30¾
62¼	10	—	Sears Roebuck	15½	14½
10¼	2½	—	Shell Union	5⅛	4¾
23⅜	3	—	Simmons Company	7½	Unq.
26½	5¼	.80	Socony-Vacuum Corp.	10⅜	10⅛
54½	15¾	2.00	SouthernCaliforniaEdison.	23¾	22
88¾	7⅝	2.00	Standard Gas & Electric	14	12¾
54½	19⅞	*1.00	Standard Oil of N. Jersey	30⅞	30
26¼	9⅜	1.00	Texas Corporation	13⅝	13¼
55¾	12⅛	2.00	Texas Gulf Sulphur	18¼	17¼
18	2	—	Trans America	4¼	4
72	15½	1.20	Union Carbide & Carbon	20¼	18⅛
205½	28	6.00	Union Pacific Railway	45¼	43½
38⅞	6½	—	United Aircraft & Trans.	12⅛	11¾
31¼	3½	.40	United Corporation	6⅞	6½
37½	9¼	1.20	United Gas Improvement	16¼	15½
20⅜	2	—	U.S. Rubber	4	3¾
162¾	21½	—	U.S. Steel	29½	28⅛
76¾	5¼	—	Vanadium	10½	9⅝
20⅜	½	—	Warner Bros. Pictures	2¼	2
107¾	15⅞	—	Westinghouse E. & M.	24	23½
72⅝	22	2.40	Woolworth	32	31¼
*Plus extras			Call Money	2%	2%

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The National City Co. Gold Bond Quotations Received From Head Office

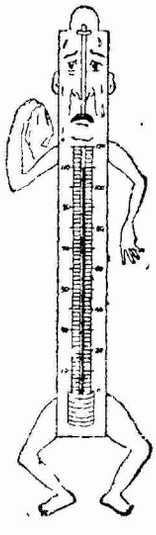
July 28, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	38	—
Argentine Government	6 % May 1, 1960	41½	—
U. S. of Brazil	6½% Oct. 15, 1957	20	—
Republic of Finland	6½% Sep. 1, 1956	57	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	43	—
Kingdom of Italy	7 % Dec. 1, 1951	92¾	7.71
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	56¾	—
American I.G. Chemical Corporation	5½% May 1, 1949	67½	9.35
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	42¾	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	60½	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913/60	63	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	61	—
Chinese Government (Crisp Loan)	5 % 1912	40½	—
Shanghai-NankingRailway	5 % 1904/08	30½	—
Shanghai - Hangchow-Ningpo Railway	5 % 1908/58	58½	—
Hukuang Railway	5 % 1911/1951	20	—
Tientsin-PukowRailway	5 % 1908/09	20	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange
Shanghai, Aug. 3, 1932

Demand selling rate on America: U.S. $1.00=Sh. $4.8963
Demand buying rate on America: U.S. $1.00=Sh. $4.7875
Demand selling rate on London: £1.0.0=Sh. $17.211
Demand buying rate on London: £1.0.0=Sh. $16.801



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Economic Pressure Used Against Communists

The National Government, while still relying on military methods of suppressing the Communists and bandits, has of late adopted the policy of depending more on economic pressure to attain its objects, such as shutting off supplies of rice, refusing to transmit and receive mails from areas under bandit control, and so on.

The city of Hsinfung, on the Kwangtung and Kiangsi border, was captured from the Reds by government troops August 1 according to telegrams received in Hongkong. Sweeping victory over the Communists on the borderland of the two provinces are also reported to have been made by the government troops, who had been much strengthened by the recent arrival of reinforcements from Canton.

General Chiang Kai-shek on July 27 attended the opening ceremony of the Hupeh Rehabilitation Conference, at which were present representatives of Central as well as Provincial Governments. Referring to the question of suppressing the communist-bandits, General Chiang Kai-shek stressed the necessity of carrying on investigations into actual conditions of each prefecture adding that the important task of suppressing the communistic bandits can only be performed through the strictest observance of discipline by those who are engaged in the campaign.

Military despatches from Kanchow, southern Kiangsi, report that the districts of Tingnan, Chinan and Lungnan in the extreme south of Kiangsi, have been cleared of bandits. The "Reds" who had retreated to that area after being driven out of northern Kwangtung, are reported to be now concentrating at Anyuan, Sungwu and Huichang, southern Kiangsi.

A message from General Chen Cheng, Commander of the 18th Army, July 30, reported that the "Red" bandits, who suffered heavy reverses on the Kiangsi-Kwangtung border, had fallen back on their old lairs at Hingkuo and Yutu. Their attempt to attack Kanchow has also been frustrated by the Government forces.

In recognition of their repeated victories over the brigands under Ho Lung in southern Hupeh, General Chiang Kai-shek has awarded $10,000 each to the 48th, 41st, 44th and 13th Divisions respectively under Generals Hsu Yuan-chuan, Chang Chen-hai, Hsiao Chih-chu and Wan Yao-huang; and $5,000 to the brigade under Major-General Lui Pei-sui.

A cash reward of $100,000 is being offered for the capture of Ho Lung, as a result of arrangements made between Generals Hsia Tou-yin, Chairman of the Hupeh Provincial Government, and Generals Ho Cheng-chun and Hsu Yuan-chuan, respectively Field-Commander and Deputy Commander of the Left Wing Bandit-suppression forces.

David Brown, China Flood Relief Chairman, Coming Here Soon

David Brown, chairman of Floof Relief in China, is expected to arrive here in the near future. Mr. Brown, who has had long experience as a business man, banker and publisher, is at present the publisher of the *American Hebrew* and one of the outstanding Jewish figures in the United States. He has had a long record of benevolent public service. During the World War, he was campaign director of the Detroit Community Fund, was a director in the New York Campaign, and a leader in other movements which raised funds for charitable purposes. One of his notable missions was that in connection with the American Relief Administration in Russia in the early part of 1922. In 1929 Mr. Brown assumed the leadership of the Palestine Emergency Fund following the Arab outrages in that year. These were but a few of the many relief movements with which Mr. Brown has been connected. Since 1928 and up to the present time Mr. Brown has also been chairman of the Board of China Faimine Relief.

Location of New Railway Station Is Decided Upon

The Ministry of Railways of the National Government has given official sanction to the construction of a new station to replace the North Station, on a site on Chungshan Road, north of Hsiangying Road. The Ministry has ordered the Municipality of Greater Shanghai to instruct the Land Bureau Commissioner to notify the public that owners of the land on which the new station will be built will not be permitted to transfer or sell their land to any other parties. The station will be constructed on the site on Chungshan Road, south of Shida Road, which has a frontage of 6,000 feet.